

Manitoba
Industry, Trade and Mines

**Annual Report
2002-2003**

Manitoba
Industry, Trade and Mines

**Annual Report
2002-2003**

Industrie, Commerce et Mines
Manitoba

**Rapport annuel
2002-2003**

Manitoba 



**MINISTER OF
INDUSTRY, TRADE AND MINES**

WINNIPEG, MANITOBA, CANADA
R3C 0V8

His Honour Peter M. Liba, C.M., O.M.
Lieutenant-Governor of Manitoba
235 Legislative Building
Winnipeg, Manitoba

May it Please Your Honour:

I am pleased to present the Annual Report for the Department of Industry, Trade and
Mines for the fiscal year ending March 31, 2003.

Respectfully submitted,

A handwritten signature in cursive script, reading "MaryAnn Mihychuk".

MaryAnn Mihychuk, P. Geo
Minister





**MINISTER OF
INDUSTRY, TRADE AND MINES**

WINNIPEG, MANITOBA, CANADA
R3C 0V8

Son Honneur Peter M. Liba, C.M., O.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba)

Monsieur le Lieutenant-gouverneur,

J'ai le plaisir de présenter à Votre Honneur le rapport annuel du ministère de l'Industrie, du Commerce et des Mines pour l'exercice se terminant le 31 mars 2003.

Je vous prie d'agréer, Monsieur le Lieutenant-gouverneur, l'expression de mon profond respect.

La ministre,

A handwritten signature in cursive script, reading "MaryAnn Mihychuk".

MaryAnn Mihychuk, P. Geo





Deputy Minister of
Industry, Trade
and Mines

Rm. 352 Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Honourable MaryAnn Mihychuk
Minister of Industry, Trade and Mines
Room 358, Legislative Building
Winnipeg, Manitoba

Dear Minister:

I have the honour of presenting the Annual Report for the Department of Industry, Trade and Mines for the period April 1, 2002 to March 31, 2003.

The activities and efforts undertaken by the Department with our industry partners, support our vision of Manitoba obtaining an internationally competitive economy, with the best quality of life in the world.

The mission of the Department is to work collaboratively with businesses, people and communities to: increase their capacity to succeed; enhance the competencies they need to prosper; raise their profiles, locally, nationally and internationally; and foster an environment that supports sustainable economic growth.

Departmental branch activities support the goals of the Department and the overall Government objectives. Working towards Manitoba's vision, I am pleased to profile a few outcomes achieved in 2002/03:

- The Canada/Manitoba Business Service Centre (C/MBSC) responded to approximately 51,000 business and trade-related inquiries, with the C/MBSC website receiving approximately 6 million hits.
- Continued support of the E-Business Service Centre which provides the information that small and medium sized enterprises need to enable them to be aware and adopt e-commerce and e-business technologies within their business.
- Over 800 participants attended the 34, three-day Business Planning Workshops conducted throughout Manitoba, including 14 workshops delivered in the rural and northern areas.
- In April 2002, the Premier led a business delegation to Texas and signed a Memorandum of Understanding on Trade, Tourism and Mutual Economic Development with the State of Texas.
- In June 2002, the Department appointed Mr. Larry McIntosh as the Manitoba/Jalisco Business Representative.
- In October 2002, a delegation of 13 Manitoba companies joined a business mission led by Industry, Trade and Mines to China.
- In February 2003, the Department led a business mission to the three Mexican states of Jalisco, Nuevo Leon, and Coahuila accompanied by seven Manitoba companies.

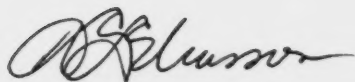
- The International Projects Initiative formed the Energy Services Alliance of Manitoba (ESAM – 12 companies) to pursue energy development projects in developing countries.
- Since its launch in October 2000, the Provincial Nominee Program for Business has received more than 500 applications, significantly above target. In 2002/03, 240 were approved, with the average planned investment worth nearly \$305,000.
- The Premier's Economic Advisory Council's Recommendations to the Premier were credited as forming the basis of the province's recently announced seven-point Action Strategy for Economic Growth.
- Major outreach activities were undertaken with the mineral education initiatives such as the Manitoba Mining and Minerals Convention Schools Program and Provincial Mining Week.
- Over the years, Manitobans have benefited from a healthy minerals sector that has grown to be the second largest primary resource industry in Manitoba, with a value of nearly \$1 billion annually.
- The Mineral Resources Division worked with staff from the departments of Conservation and Energy, Science and Technology to host the annual federal/provincial/territorial Energy and Mines Ministers Conference (EMMC) in September 2002. The Manitoba conference set new standards on profiling the province's attributes and the efficiency with which the technical, social and guest programs were organized and implemented resulted in the first ever EMMC to realize a profit.
- The annual Manitoba Mining and Minerals Convention hosted over 700 industry stakeholders and provided a venue for stakeholders to learn of the latest government geological information releases, exploration and mining services and business opportunities.
- The Petroleum Branch executed Ministerial seizure orders relating to the wells and facilities of three seriously non compliant operators. As a result, the Branch supervised the abandonment of 13 derelict wells, the dismantling of 3 battery facilities and the restoration of the associated surface sites.
- In 2002, 784 mining claims and 30 exploration permits and mineral exploration licenses were recorded covering a total of 935,547 hectares. In addition, seven quarry mineral leases, 772 casual quarry permits and 842 registration certificates for private pits and quarries were issued during the same period.

The Department is committed to the Principles and Guidelines set out in The Sustainable Development Act and works to incorporate them in department activities, programs and business practices. A few departmental initiatives in support of sustainable development are: minimizing waste through the efficient use of office supplies and recycling; increased utilization of the internet to communicate and disseminate information to our clients; delivery of a variety of workshops, seminars, business counseling sessions and research assistance suitable for use by businesses involved with the production/delivery of environmental products and services and; Petroleum branch has implemented an internal policy that gasohol should be utilized as the fuel of choice for inspection vehicles, where available. During 2002/03, 40% of the fuel used by the Branch was gasohol, compared with 36% in the 5 month from November 2001 to March 2002, used as a baseline.

The Department continues to participate on various Sustainable Development Committees and Working Groups such as the Code of Practice; Financial Management and Sustainability Reporting teams.

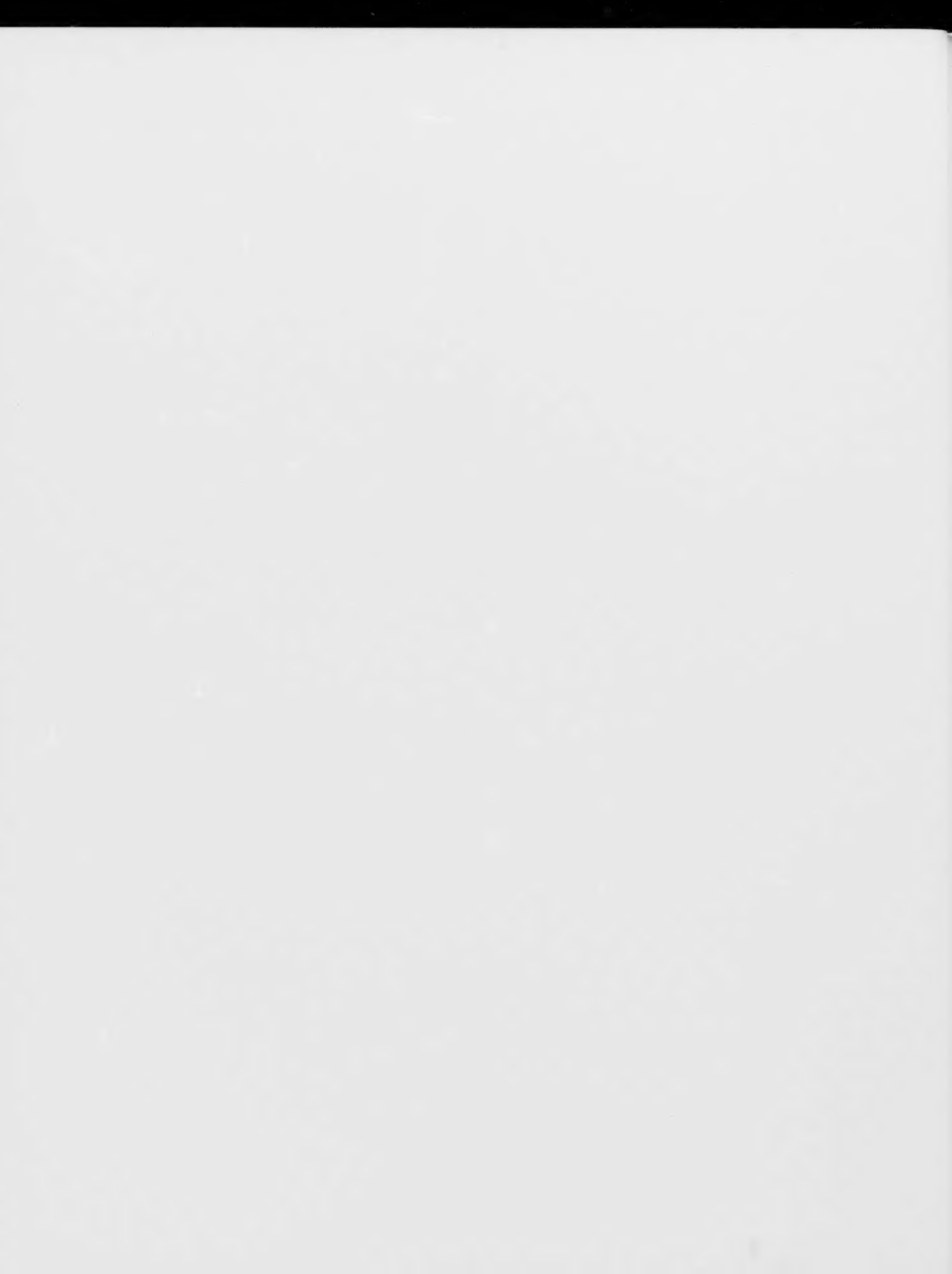
The Department will continue to undertake initiatives and strategic planning that will contribute to the success of Manitoba business expansion, job growth and mineral investment.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "H. Eliasson", with a stylized, flowing script.

Hugh Eliasson







Deputy Minister of
Industry, Trade
and Mines

Rm. 352 Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Madame MaryAnn Mihychuk
Ministre de l'Industrie, du Commerce et des Mines
Bureau 358, Palais législatif
Winnipeg (Manitoba)

Madame la Ministre,

J'ai l'honneur de vous présenter le rapport annuel du ministère de l'Industrie, du Commerce et des Mines pour la période du 1^{er} avril 2002 au 31 mars 2003.

Les activités et les efforts du ministère, en collaboration avec nos partenaires du secteur, viennent appuyer notre vision pour le Manitoba, à savoir une économie concurrentielle à l'échelle internationale assortie de la meilleure qualité de vie du monde.

La mission du ministère est de collaborer avec les entreprises, la population et les collectivités afin d'accroître leur capacité de réussite, de rehausser les compétences nécessaires à leur prospérité, de rehausser leur image à l'échelle locale, nationale et internationale et de favoriser l'établissement d'un milieu propice à la croissance durable de l'économie.

Les activités des diverses directions viennent appuyer les objectifs du ministère et de l'ensemble du gouvernement. Aussi, permettez-moi de vous présenter un bref aperçu de quelques-unes de nos réalisations qui, au cours de l'exercice 2002-2003, ont contribué à notre vision pour le Manitoba.

- Le Centre de services aux entreprises Canada/Manitoba (CSEC/M) a répondu à environ 51 000 demandes touchant les entreprises et le commerce, et son site Internet a enregistré quelque six millions de visites.
- L'appui continu du Centre de services aux cyber-entreprises permet de fournir aux petites et moyennes entreprises les renseignements dont elles ont besoin pour connaître et adopter les technologies propres au cyber-commerce et aux cyber-entreprises.
- Plus de 800 participants ont assisté aux 34 ateliers de trois jours sur la planification d'entreprise organisés partout au Manitoba, dont 14 en régions rurales et nordiques.
- En avril 2002, le premier ministre a dirigé une délégation commerciale au Texas et signé un protocole d'entente sur le commerce, le tourisme et le développement économique réciproque avec l'État américain.
- En juin 2002, le ministère a nommé M. Larry McIntosh au poste de représentant commercial du Manitoba dans l'État de Jalisco (Mexique).
- En octobre 2002, une délégation composée de représentants de 13 entreprises manitobaines a rejoint une mission commerciale conduite par Industrie, Commerce et Mines en Chine.

- En février 2003, le ministère a dirigé une mission commerciale, à laquelle ont participé les représentants de sept entreprises manitobaines, dans trois États mexicains, à savoir Jalisco, Nuevo León et Coahuila.
- L'Initiative des projets internationaux a créé la Energy Services Alliance of Manitoba (ESAM – composée de 12 entreprises) (alliance des services énergétiques du Manitoba) afin réaliser des projets de mise en valeur énergétique dans des pays en développement.
- Depuis son lancement en octobre 2000, le programme Candidats du Manitoba pour les gens d'affaires a reçu plus de 500 demandes, soit bien au-delà de l'objectif. En 2002-2003, 240 demandes ont été approuvées, et la moyenne des investissements prévus s'est chiffrée à près de 305 000 \$.
- Les recommandations du Conseil consultatif économique du premier ministre ont servi de fondement au Plan stratégique de croissance économique du Manitoba, plan en sept points rendu public récemment.
- D'importantes activités d'extension ont été organisées dans le cadre d'initiatives d'éducation dans le domaine minier comme le Programme scolaire du Congrès des mines et des minéraux du Manitoba et la Semaine provinciale du développement minier.
- Depuis des années, les Manitobains profitent d'un secteur minier prospère, qui occupe aujourd'hui le second rang des industries de ressources primaires et affiche une valeur annuelle de près de un milliard de dollars.
- La Division des ressources minières a collaboré avec le personnel des ministères de la Conservation et de l'Énergie, des Sciences et de la Technologie afin d'organiser la Conférence des ministres de l'Énergie et des Mines (CMEM) en septembre 2002. L'édition manitobaine de cette conférence annuelle, qui réunit les ministres fédéral, provinciaux et territoriaux, a débouché sur de nouvelles normes pour l'établissement des profils provinciaux. Par ailleurs, l'efficacité avec laquelle les programmes techniques, sociaux et des conjoints ont été organisés et mis en œuvre a permis à la CMEM de réaliser des bénéfices pour la première fois de son histoire.
- Le Congrès des mines et des minéraux a accueilli plus de 700 intervenants du secteur qui ont pu mettre leurs connaissances à jour quant aux dernières circulaires d'information géologique du gouvernement, aux services d'exploration et d'exploitation minières et aux possibilités d'affaires.
- La Direction des ressources pétrolières a procédé à l'exécution d'arrêtés ministériels relativement à la saisie des puits et des installations de trois exploitants coupables de non-conformité grave. Ainsi, la direction a supervisé la fermeture de 13 puits abandonnés, le démantèlement de trois batteries et la restauration de leurs sites en surface.
- En 2002, 784 claims miniers et 30 permis d'exploration ont été enregistrés pour un total de 935 547 hectares. En outre, sept baux d'exploitation de minéraux de carrière ont été signés et 772 licences d'exploitation occasionnelle de carrière et 842 certificats d'enregistrement de carrière ont été délivrés pendant la période.

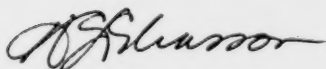
Le ministère s'est engagé à l'égard des principes et directives établis dans la *Loi sur le développement durable* et s'efforce de les intégrer à ses activités, programmes et pratiques. Parmi les initiatives ministérielles en appui au développement durable, il y a celles-ci : réduction des déchets par l'utilisation efficace des fournitures de bureau et le recyclage; recours accru à l'Internet pour les communications et la diffusion d'information aux clients; ateliers, séminaires, séances de consultation et aide à la recherche adaptés aux entreprises engagées dans la production ou la fourniture de

produits et de services écologiques; et adoption par la Direction des ressources pétrolières d'une politique interne selon laquelle le gazohol doit être utilisé comme carburant privilégié dans les véhicules d'inspection chaque fois que cela est possible. En 2002-2003, le gazohol a représenté 40 % du carburant consommé par la direction, comparativement à 36 % pour la période de cinq mois comprise entre novembre 2001 et mars 2002.

Le ministère continue de participer à divers comités et groupes de travail liés au développement durable, comme les équipes sur le code de pratique, la gestion financière et les rapports sur la durabilité.

Le ministère continuera d'adopter des mesures et de procéder à des planifications stratégiques qui contribuent au succès du développement des entreprises, de la croissance de l'emploi et de l'investissement dans le secteur minier au Manitoba.

Je vous prie d'agréer, Madame la Ministre, l'expression de ma haute considération.



Hugh Eliasson





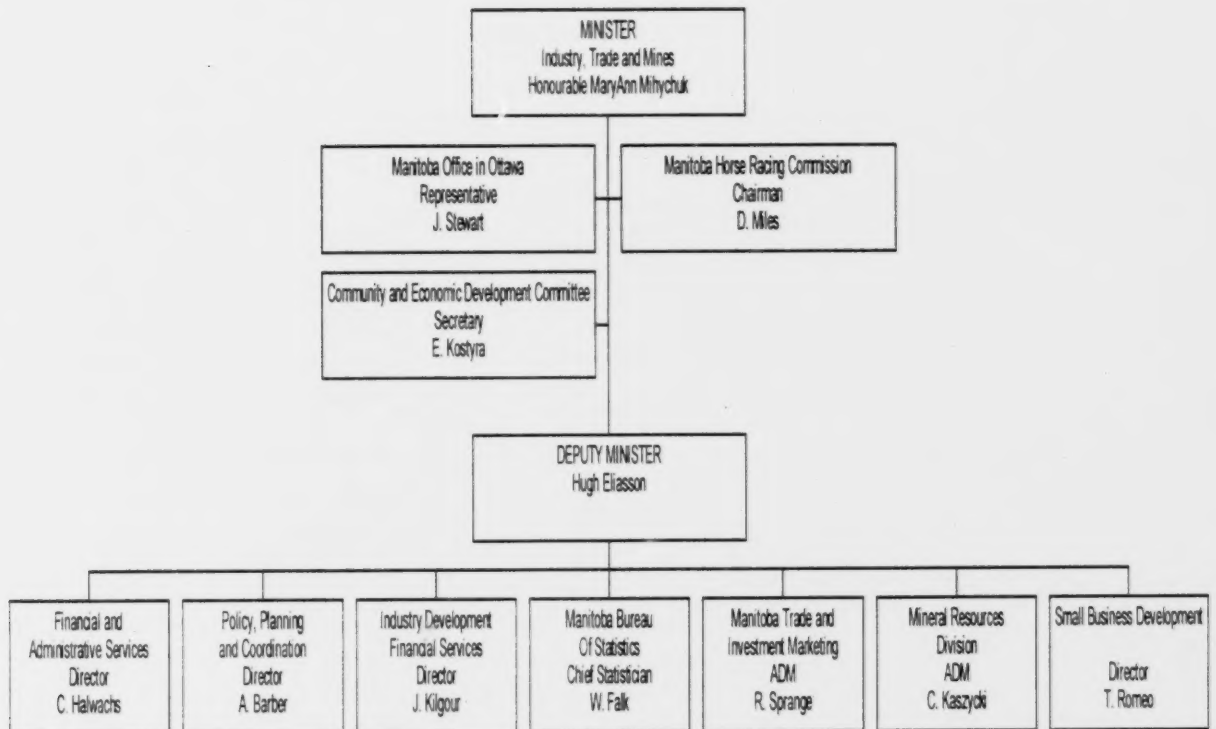
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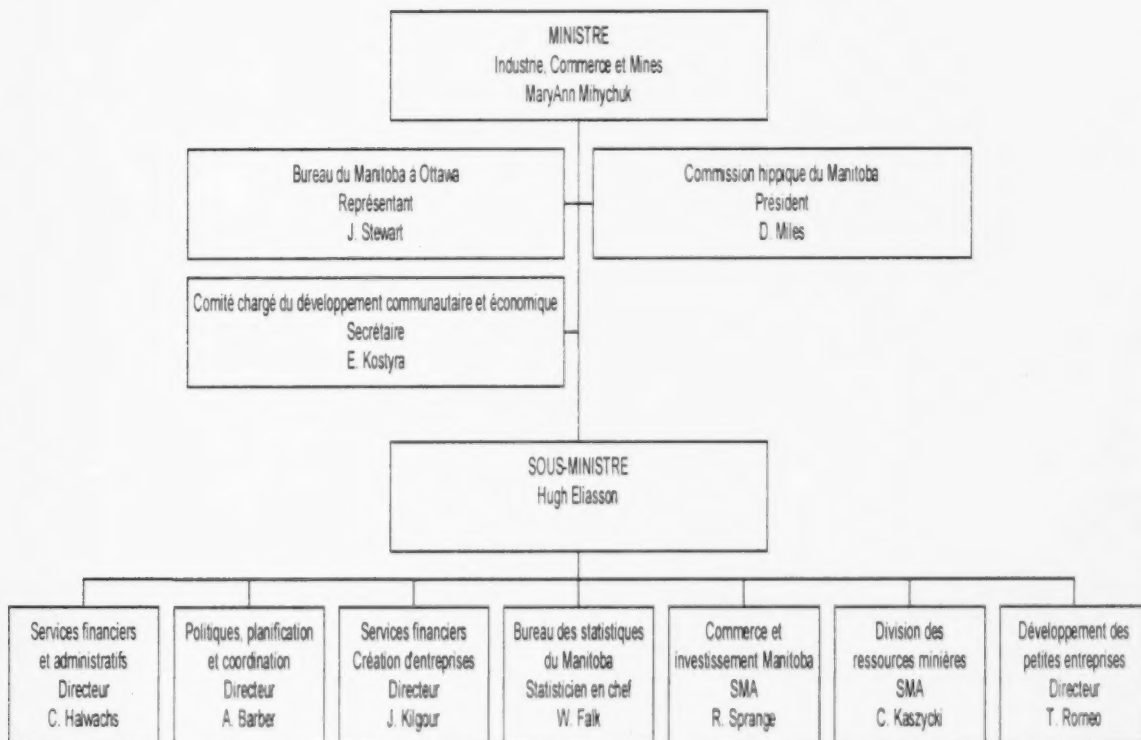
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**INDUSTRY, TRADE AND MINES
ORGANIZATION CHART
As at March 31, 2003**



NOT REFLECTED ON THIS CHART:
THE MANITOBA TRADE AND INVESTMENT CORPORATION,
THE MANITOBA DEVELOPMENT CORPORATION,
THE MANITOBA MINING BOARD
AND THE MANITOBA SURFACE RIGHTS BOARD

INDUSTRIE, COMMERCE ET MINES
ORGANIGRAMME
Au 31 mars 2003



NE SONT PAS INDiquÉS DANS L'ORGANIGRAMME LES ORGANISMES SUIVANTS :

COMMERCE ET INVESTISSEMENT MANITOBA
SOCIÉTÉ DE DÉVELOPPEMENT DU MANITOBA
COMMISSION MINIÈRE DU MANITOBA
COMMISSION DES DROITS DE SURFACE

PREFACE

INTRODUCTION

In September of 2002, Industry, Trade and Mines (ITM) was re-organized resulting with the following sections being transferred to the new department of Energy, Science and Technology (EST); Research, Innovation and Technology, Energy Development Initiative, and the Industrial Technology Centre. In addition, the Cooperative Development section of Industry, Trade and Mines was transferred to the department of Intergovernmental Affairs. The Financial and Administration Section of Industry, Trade and Mines is a shared resource providing services to both ITM & EST.

REPORT STRUCTURE

The Annual Report is organized in accordance with the department's appropriation structure as at April 2002 and in the Main Estimates of Expenditure for the Province. The Report includes financial performance and variance information at the main and sub-appropriation levels and information relating to the department's objectives and results at the sub-appropriation level. The Report also includes information about associated agencies, business assistance, revenue and expenditures, a five-year comparison of expenditures and a staffing analysis.

STATUTORY RESPONSIBILITIES

The Minister of Industry, Trade and Mines is responsible for the following:

The Crocus Investment Fund Act
The Design Institute Act
The Development Corporation Act, D 60
The Electronic Commerce and Information Act (except Part 5)
The Gas Pipe Line Act
The Gas Allocation Act
The Greater Winnipeg Gas Distribution Act (S.M. 1988-89, c. 40)
The Horse Racing Commission Act
The Labour-Sponsored Venture Capital Corporations Act
The Mines and Minerals Act
The Mining and Metallurgy Compensation Act
The Oil and Gas Act
The Oil and Gas Production Tax Act
The Statistics Act
The Surface Rights Act
The Manitoba Trade and Investment Corporation Act

Schedule "L" & "Q", Order-In-Council 419/2002

SUSTAINABLE DEVELOPMENT

The department is committed to the Principles and Guidelines set out in The Sustainable Development Act and works to incorporate them in department activities, programs and business practices.

The Principles and Guidelines of Sustainable Development are:

1. Integration of Environmental and Economic Decisions
2. Stewardship
3. Shared Responsibility and Understanding
4. Prevention
5. Conservation and Enhancement
6. Rehabilitation and Reclamation
7. Global Responsibility
8. Efficient uses of Resources
9. Public Participation
10. Access to Information
11. Integrated Decision Making and Planning
12. Waste Minimization and Substitution
13. Research and Innovation.

The Sustainable Development Procurement Goals:

14. Education, Training and Awareness
15. Pollution Prevention and Human Health Protection
16. Reduction of Fossil Fuel Emissions
17. Resource Conservation
18. Community Economic Development

ORGANIZATION

The department's 2002/03 organization structure is illustrated in the Organization Chart, page i. The Vision, Mission, Critical Priorities, roles, responsibilities and staffing are outlined in the following information.

VISION AND MISSION

The Vision of Industry, Trade and Mines is: ***An internationally competitive economy, with the best quality of life in the world.***

The Mission of Manitoba Industry, Trade and Mines is to work collaboratively with businesses, people and communities to:

- increase their capacity to succeed;
- enhance the competencies they need to prosper;
- raise their profiles, locally, nationally and internationally; and
- foster an environment that supports sustainable economic growth.

CRITICAL PRIORITIES

In pursuit of the vision the department has identified the following Critical Priorities:

- productivity and competitiveness;
- international economic opportunities
- community capacity
- sustainable resource development (Stewardship)

Productivity and Competitiveness

- *Create an environment in which:*
- companies have the will, capacity and competencies to continually invest in more efficient and innovative production techniques; and
- the labour force is willing and able to participate in the opportunities that are provided.

International Economic Opportunities

- *Create an environment in which:*
- companies understand and embrace the importance of being internationally competitive; and
- companies have the will, capacity and competencies to do so.

Community Capacity

- identify communities that require support to plan and grow local economic initiatives;
- create an environment in which they have the capacity and competencies to be able to control their own economic goals and success.

Sustainable Resource Development (Stewardship)

- create an environment in which organizations have the will, capacity and competencies to incorporate sustainable development principles into their economic decision making.

Guiding Principles (re: management practices)

Collaboration: with, our clients; our partners; other levels of government; and between Manitoba government departments and colleagues.

Proactivity: thinking strategically; planning and taking the right steps to create the environment we seek, planning together, involving the right people from the start.

Responsiveness: assessing the impact of events and changing economic circumstances; acting quickly to coordinate effective responses; and remaining in line with our Vision and Mission

Fiscal Restraint: innovative and effective use of available resources; creative thinking and working together to get best use of resources; and targeting available resources strategically, in line with our Vision and Mission.

Cooperative Economic Approach: strategic partnerships with businesses, communities and people; seek to understand clients' needs rather than impose solutions; consider specifically the needs of Aboriginal communities; and decisions/actions that promote inclusivity, equity and sustainable development

In order to achieve the mission, the department is organized in four divisions:

ADMINISTRATION AND FINANCE DIVISION: provides support for the operations of the offices of the Minister and Deputy Minister; provides central financial, administrative, human resources and computer support services to the department; provides policy support in trade and economic development to the department and across government; coordinates and supports departmental strategic and business planning and knowledge management initiatives; provides on-going strategic federal-provincial information and assists Manitobans in dealing with federal authorities; coordinates the economic and labour force statistical system to adapt to changing policy and program requirements of the Manitoba government and Crown agencies and; provides for the supervision and regulation of horse racing and the operation of race tracks in Manitoba.

BUSINESS SERVICES DIVISION: provides or facilitates business access to capital; provides assistance and support for mineral exploration and development projects; provides business with assistance to identify and take advantage of opportunities in export markets, and promotes Manitoba investment opportunities abroad to increase exports, inward investment and employment; coordinate and deliver a range of services for the enhancement and growth of Manitoba's entrepreneurial and small business community.

MINERAL RESOURCE DIVISION: promotes wise land management and environmentally sustainable economic development in the province based on Manitoba's mineral resources; fosters and enhances business development opportunities in mineral economic development through promotion and marketing activities; provides authoritative documentation of the province's mineral endowment and development potential; administers the delivery of mineral industry support programs; administers legislation governing the disposition of mineral rights, exploration, development and production of Manitoba's mineral resources and, the rehabilitation of mines and quarries; administers legislation governing the exploration, development and production of petroleum resources, and the rehabilitation of abandoned petroleum sites; conducts safety and health inspections of petroleum industry operations as outlined under The Workplace, Safety and Health Act.

COMMUNITY ECONOMIC DEVELOPMENT COMMITTEE: provides analytical expertise and administrative support to the Community Economic Development Committee of Cabinet; coordinates all major government initiatives relating to community and economic development in the provinces; provides advice and support in the ongoing development of Manitoba's economic strategy including identifying priorities, soliciting community input and assisting in formulating policy and recommendations.

AVANT-PROPOS

INTRODUCTION

En septembre 2002, le ministère de l'Industrie, du Commerce et des Mines (ICM) a été restructuré et les sections suivantes ont été transférées au nouveau ministère de l'Énergie, de la Science et de la Technologie (EST) : Recherche, innovation et technologie, Initiative de développement énergétique et Centre de technologie industrielle. De plus, la section du développement des coopératives d'ICM a été transférée au ministère des Affaires intergouvernementales. La Division de l'administration et des finances est une ressource partagée entre ICM et EST.

STRUCTURE DU RAPPORT

La présentation du rapport annuel reflète la structure budgétaire du ministère en avril 2002 et celle du Budget des dépenses de la Province. Le rapport contient des renseignements sur les postes principaux et secondaires du budget en ce qui concerne le rendement financier et les écarts par rapport aux prévisions ainsi que des renseignements sur les postes secondaires en ce qui concerne les objectifs du ministère et les résultats obtenus. Il présente en outre des renseignements sur les organismes associés, le soutien aux entreprises, les recettes et les dépenses, ainsi qu'une récapitulation quinquennale des dépenses et de la dotation en effectif.

RESPONSABILITÉS LÉGISLATIVES

Le ministère de l'Industrie, du Commerce et des Mines veille à l'application des lois suivantes :

Loi sur le Fonds de placement Crocus
Loi sur l'Institut de design
Loi sur la Société de développement, D 60
Loi sur le commerce et l'information électroniques (sauf la Partie 5)
Loi sur les gazoducs
Loi sur la répartition du gaz
Loi sur la distribution du gaz dans la conurbation de Winnipeg (L.M. 1988-89, c. 40)
Loi sur la Commission hippique
Loi sur les corporations à capital de risque de travailleurs
Loi sur les mines et les minéraux
Loi sur l'indemnisation consécutive à l'exploration minière ou métallurgique
Loi sur le pétrole et le gaz naturel
Loi de la taxe sur la production de pétrole et de gaz
Loi sur les statistiques
Loi sur les droits de surface
Loi sur la Société du commerce et de l'investissement du Manitoba

Annexe « L » et « Q » du décret 419/2002

ORGANISATION

L'organigramme, qui se trouve à la page i, reflète la structure organisationnelle du ministère pendant l'exercice 2002-2003. L'information qui suit porte sur la vision, la mission, les priorités critiques, le rôle et les responsabilités du ministère ainsi que sur la dotation en personnel.

VISION ET MISSION

La vision d'Industrie, Commerce et Mines est la suivante : ***une économie concurrentielle à l'échelle internationale assortie de la meilleure qualité de vie du monde.***

La mission d'Industrie, Commerce et Mines est de collaborer avec les entreprises, la population et les collectivités aux fins suivantes :

- accroître leur capacité de réussite;
- rehausser les compétences nécessaires à leur prospérité;
- rehausser leur image à l'échelle locale, nationale et internationale; et
- favoriser l'établissement d'un milieu propice à la croissance durable de l'économie.

PRIORITÉS CRITIQUES

Pour mettre sa vision en pratique, le ministère a cerné les priorités critiques suivantes :

- productivité et compétitivité;
- débouchés économiques internationaux;
- capacité collective;
- développement durable des ressources (gouvernance).

Productivité et compétitivité

- *Créer un environnement dans lequel :*
- les entreprises ont la volonté, la capacité et les compétences nécessaires pour investir continuellement dans des techniques de production plus efficaces et novatrices;
- la main-d'œuvre est prête à participer aux débouchés offerts et elle est capable de le faire.

Débouchés économiques internationaux

- *Créer un environnement dans lequel :*
- les entreprises comprennent et acceptent l'importance de la compétitivité internationale;
- les entreprises ont la volonté, la capacité et les compétences nécessaires pour ce faire.

Capacité collective

- cerner les collectivités qui ont besoin de soutien pour planifier et faire naître des initiatives économiques locales;
- créer un environnement dans lequel elles ont la possibilité et la capacité de maîtriser leurs propres objectifs et succès économiques.

Développement durable des ressources (gouvernance)

- créer un environnement dans lequel les organismes ont la volonté, la capacité et les compétences nécessaires pour intégrer les principes de développement durable à leur processus de prise de décision économique.

Principes directeurs (i.e. : pratiques de gestion)

Collaboration : avec nos clients, nos partenaires, les autres paliers de gouvernement et entre les ministères et les collègues provinciaux.

Proactivité : pensée stratégique; planification et adoption des mesures nécessaires pour créer l'environnement recherché; planification collective et intégration des bonnes personnes dès le départ.

Réceptivité : évaluation de l'incidence de situations et de conditions économiques changeantes; réaction rapide en vue de coordonner des réponses efficaces; conformité à la vision et à la mission.

Compressions budgétaires : utilisation novatrice et efficace des ressources disponibles; pensée créatrice et collaboration pour l'utilisation optimale des ressources; ciblage stratégique des ressources disponibles conformément à la vision et à la mission.

Approche économique coopérative : partenariats stratégiques avec les entreprises, les collectivités et la population; compréhension des besoins des clients plutôt qu'imposition de solutions; attention particulière aux besoins des collectivités autochtones; décisions ou actions qui favorisent l'inclusion, l'équité et le développement durable.

Pour mener à bien sa mission, le ministère est organisé en quatre divisions :

DIVISION DE L'ADMINISTRATION ET DES FINANCES : offre un appui au bon fonctionnement du cabinet de la ministre et du bureau du sous-ministre; fournit des services centralisés de gestion financière et administrative, de ressources humaines et de soutien informatique au ministère; fournit un soutien stratégique au ministère et à l'ensemble du gouvernement dans les domaines du commerce et du développement économique; coordonne et soutient les initiatives de planification stratégique et commerciale du ministère ainsi que ses initiatives de gestion du savoir; fournit de façon continue des renseignements stratégiques sur les rapports fédéraux-provinciaux et aide les Manitobains à traiter avec les autorités fédérales; coordonne les statistiques dans les secteurs de l'économie et de la main-d'œuvre afin de permettre l'adaptation aux nouvelles directives et aux nouveaux programmes du gouvernement et des sociétés de la Couronne du Manitoba; supervise et réglemente les courses de chevaux et l'exploitation des pistes de course de chevaux au Manitoba.

DIVISION DES SERVICES D'AIDE À L'ENTREPRISE : offre un soutien financier aux entreprises ou leur facilite l'accès aux capitaux; offre aide et soutien aux projets d'exploration et de développement des ressources minières; aide les entreprises à cerner les débouchés sur les marchés de l'exportation et à en tirer avantage, et cherche à promouvoir le Manitoba auprès d'investisseurs étrangers pour augmenter les exportations, les investissements et les possibilités d'emploi; coordonne et met en œuvre toute une gamme de services visant à favoriser la croissance de la petite entreprise et du secteur de l'entrepreneuriat en général.

DIVISION DES RESSOURCES MINIÈRES : favorise une gestion rationnelle des terres et un développement économique respectueux de l'environnement en fonction des ressources minières du Manitoba; met en valeur les possibilités d'affaires qui existent dans le domaine du développement économique des ressources minières par le biais d'activités promotionnelles et de commercialisation; fournit de la documentation faisant autorité sur les richesses minières de la province et sur les possibilités de développement de celles-ci; veille à la mise en œuvre des programmes de soutien à l'industrie minière; administre des lois régissant la disposition des droits miniers, l'exploration, le développement et la production des ressources minières de la province, ainsi que la restauration des mines et des carrières; administre des lois régissant l'exploration, la mise en valeur et la production des ressources pétrolières, ainsi que la restauration des installations pétrolières abandonnées; procède à des inspections d'hygiène et de sécurité dans les installations pétrolières de la province conformément aux dispositions de la *Loi sur la sécurité et l'hygiène du travail*.

COMITÉ CHARGÉ DU DÉVELOPPEMENT COMMUNAUTAIRE ET ÉCONOMIQUE : fournit un service d'analyse et de soutien administratif au comité du Cabinet chargé du développement communautaire et économique; coordonne les principales initiatives du gouvernement ayant trait au développement communautaire et économique dans les provinces; prête ses conseils et son appui au développement permanent de la stratégie économique du Manitoba, notamment en établissant les priorités, en sollicitant l'opinion de la collectivité et en aidant à la formulation de la politique et des recommandations.

ADMINISTRATION AND FINANCE

MINISTER'S SALARY AND EXECUTIVE SUPPORT

The Administration and Finance Division comprises the Executive Support Offices, Financial and Administrative Services, Policy, Planning and Coordination, Manitoba Office in Ottawa, Manitoba Bureau of Statistics, and the Manitoba Horse Racing Commission.

EXECUTIVE SUPPORT

Executive Support includes the Offices of the Minister and Deputy Minister. The Minister provides leadership and direction to ensure the goals and objectives of the department are accomplished. The Office of the Deputy Minister provides the Minister with advice and information regarding issues and matters of concern to the department. Executive Support is responsible for providing the department with policy direction and the overall planning and co-ordination of departmental activities.

10-1(a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Minister's Salary	28.4	1.00	28.4		
Total Expenditures	28.4	1.00	28.4		

10-1(b) Executive Support

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	429.8	8.00	420.8	9.0	
Total Other Expenditures	71.6		83.0	(11.4)	
Total Expenditures	501.4	8.00	503.8	(2.4)	

FINANCIAL AND ADMINISTRATIVE SERVICES

Financial and Administrative Services comprises of three primary components; Financial and Administrative, Information Technology and Human Resources. The branch is a consolidated unit and provides services to the departments of Industry, Trade and Mines (ITM) and Energy, Science and Technology (EST).

OBJECTIVES

The goals of Finance and Administrative Services is to: provide leadership, and support in all aspects of human resource management, pay and benefits service, labour relations and safety and health; provide timely, accurate, consistent, and useable financial and administrative services and information and; assist the department by coordinating the delivery of department and government wide information technology initiatives and by providing expertise and support program direction. The Branch is customer responsive by providing high quality and timely services such as policy development, administrative and financial management, computer, and personnel services to the Department and its related Agencies through a centralized support service.

ACTIVITIES/RESULTS

In support of the branch goals and the mission of the Department, the branch processed payments and receipts; provided computer business application development and support services; recruited, deployed, trained and paid staff; administered and coordinated the Department's parking and pool vehicle programs; provided for physical accommodations including furniture and equipment and mail distribution; provided advisory and specialized accounting and financial management services to departmental personnel and related entities; coordinated French language services; supervises the Freedom of Information and Protection of Privacy Act; managed the department's records management program and provided timely, accurate and relevant information to departmental and central agency decision-makers including budgetary and cash flow information to Treasury Board.

In 2002/03 **Financial Services** processed the following for ITM and EST; 43,850 Payment/revenue transactions and 188 Authority-seeking documents and 48 Freedom of Information requests.

In addition, the section prepared both ITM's and EST's Detailed Estimates, coordinated the preparation of the Estimates Supplement, Annual Report and all other year-end financial reports.

The Human Resource Services section provides staffing, employment equity, job analysis and classification, employee counselling, labour relations, and pay and benefits administration. The shared resources of the unit also provide staff and organizational development, occupational health and safety, and employment equity program development.

Human Resource staff that support Industry, Trade & Mines are part of the consolidated HR unit that also services the Departments of Culture Heritage and Tourism, Energy Science and Technology, Finance and the Office of the Auditor General.

Human Resource activities are carried out in accordance with The Civil Service Act, the Manitoba Government Employee Union Master Agreement, Manitoba labour laws, and Workplace Health and Safety legislation.

Specific activities of Human Resource Services for ITM during 2002-2003 included:

Employment Equity Statistics as at Fiscal Year End

ITM	1999-2000 Actual (%)	2000-2001 Actual (%)	2001-2002 Actual (%)	2002-2003 Actual (%)
Aboriginal	1.8	3.3	4.4	4.2
Women	47.0	47.7	47.1	47.9
Persons w/ Disability	1.2	2.5	2.9	2.9
Visible Minority	2.4	2.9	2.9	3.4

- The branch continues to co-ordinate the implementation of government-wide policies and initiatives.
- Maintained payroll records for 270 ITM employees.
- Provided benefit information on employee appointment, retirement, death benefits, long term disability and lay-off to 30 ITM employee/family members.
- Eight permanent and six temporary position vacancies were filled through formal competition process for ITM. Five positions were filled through various direct appointments for ITM.
- Consulted with departmental management/supervisory personnel, employees and the M.G.E.U. in the resolution of numerous labour relations issues, which included the filing of two formal grievances for ITM.
- Continued to hire a number of individuals from the Outreach/Inventory list. The list is established to provide opportunities to qualified candidates on a casual and/or term basis. Industry, Trade & Mines participated in the Aboriginal Management Project with the Civil Service Commission.
- Prepared detailed classification analysis on 23 reclassification requests under delegated and non-delegated authority for ITM.
- Staff attended seminars totaling approximately 129 days of learning events for ITM and EST that were designed and delivered in 2002. These events range from HR Management modules to Managing Change, Competencies/Employee Performance Development and Leadership Development programs.
- Formulated Workers Compensation statistics for distribution to various Branches within ITM in which 3 accident/injury claims were reported; 2 of which accounted for no lost time and 1 accounted for 7 lost days.
- Attendance management, workstation assessments and the Return to Work and Workers Compensation claims management programs have resulted in reducing the Department's overall claim costs.
- Baseline and periodic audiograms are conducted as part of the ITM's Hearing Conservation Program.

The Computer Services section provides the department with Information Technology support services including: computer systems design and implementation; equipment evaluation and acquisition (outside Desktop Initiative); user education and assistance (outside the standard suite); and, implementation of government wide initiatives from the OIT office and adherence to guidelines and standards set.

Additional Computer Services activities undertaken for ITM during the year included:

Mineral Resources Division:

- Executed all purchases of hardware and software approved in the 2002/03 Annual Information Technology Systems Plan and, prepared a new Systems Plan for 2003/04.
- Participation in the "Manitoba Land Initiative Committee"
- Facilitated DeskTop requests from users
- Developed and implemented an Internet Registration System for the Energy and Mines Minister's Conference.

- Purchased and implemented an Internet Library System.
- Developed e-business strategy for successful future implementation of e-services to our customers.
- Developed an Internet Registration System for our Annual Mineral Convention.

Industry and Trade divisions

- Brought in-house and enhanced the MB Business Calendar and included as part of our InterNet Business tool set for MB businesses.
- Expanded our IntraNet site for ITM adding databases to contain news items, discussion threads, pictures and events.
- Create a web based desktop application to track, manage, administer and control desktop operating costs.
- Created an application to publish web content or create word documents about the MB Economy and MB Business from text contained within a database. Application use meta tags to describe the data for the purpose of extracting and filtering information in web queries.
- Updated server infrastructure to win2000, secured environment and applied patches to current security requirements defined by the Information Protection Centre.
- Further enhanced the integration between our databases and outlook making it easier to communicate and track correspondence with our clients and our employees.
- Improved the integration between our databases and MS-Word thus further automating the production of publication materials.

10-1(c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 2002/03	Estimate 2002/03		Variance Over (Under)	Expl. No.
	\$	FTE	\$		
Total Salaries & Employee Benefits	1,115.5	19.00	1,078.1	37.4	
Total Other Expenditures	263.3		317.0	(53.7)	
Total Computer Services	107.4		110.0	(2.6)	
Total Expenditures	1,486.2	19.00	1,505.1	(18.9)	

POLICY, PLANNING AND COORDINATION

OBJECTIVES

The objective of the Policy, Planning and Coordination Branch is to provide analytical, advisory and research support services on behalf of the Department to the Minister, Cabinet and other provincial departments and agencies. This includes undertaking analysis of policy issues, providing critical information and working closely with other partners to promote economic development in Manitoba.

ACTIVITIES/RESULTS

The Branch manages the ongoing implementation of the Agreement on Internal Trade in Manitoba. Efforts in this area include: supporting the Minister's participation as a member of the Ministerial Committee on Internal Trade; serving as Manitoba's Internal Trade Representative; co-ordinating the government-wide participation in the Agreement; and monitoring disputes arising under the Agreement.

The Branch acts as lead agent in governmental and intergovernmental matters related to international trade policy. The Branch develops provincial policy with regard to existing international trade agreements such as the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO). The Branch also works to ensure that Manitoba priorities and concerns are appropriately reflected in new trade negotiations (e.g. Free Trade Area of the Americas (FTAA) and the General Agreement on Trade and Services GATS). Policy advice is also provided for trade issues and disputes in such areas as US trade remedy actions on steel and softwood lumber and US and New Zealand challenge of Canadian dairy export practices. The Branch provides support to the Minister and Deputy Minister for Conferences, including meetings of Ministers responsible for International Trade and Deputies of International Trade and provides briefing materials for the annual Western Premier's, Western Governors and Premier's Conferences.

Planning support is provided to the Department and includes assistance in the development of the departmental business planning process and compilation of departmental submissions for Ministerial briefing books. The Branch chairs the Inter-Departmental Business Planning Co-ordinators Council to assist the development of government-wide business planning.

The Branch represents the Government of Manitoba on the Provincial-Territorial Advisory Committee and the Trade Advisory Committee of the Standards Council of Canada. This function involves interdepartmental co-ordination to represent Manitoba's views on standards-related issues before the Council.

Economic analysis, policy advice, interagency liaison, and selected other services are also provided to the Department by the Branch.

10-1(d) Policy, Planning and Coordination

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	400.9	6.00	397.2	3.7	
Total Other Expenditures	100.0		148.5	(48.5)	1
Total Expenditures	500.9	6.00	545.7	(44.8)	

1. Variance due to general operating costs, which were lower than budgeted.

MANITOBA OFFICE IN OTTAWA

OBJECTIVES

The overall objective of the Ottawa Office is to assist the Manitoba government and its agencies, Manitoba firms, communities, organizations and individuals in dealing with the federal authorities and in developing business. Critical activities in providing such assistance include the gathering and dissemination of information; representation of Manitoba's interests, and monitoring of federal actions and intentions on a range of issues including procurement.

Manitoba continues to be particularly susceptible to changes in federal transfers to the Provinces, which account for almost 35% of Manitoba's yearly revenues. Transfers to individuals add to the importance of the federal government to Manitoba. Public Works and Government Services Canada bought approximately \$8 billion during 2002 in Canada, which represented 65% of total departmental purchases. The Department of National Defence's capital and acquisition spending is approximately \$5 billion each year. The federal government is the second largest employer in Manitoba after the provincial government. The presence of numerous other provincial/territorial offices in Ottawa demonstrates that we are not alone in the belief that representation in Ottawa is important in furthering provincial interests. In fact, the Manitoba Office, established in January, 1990, is among the more recent additions to the Ottawa scene. Since then, Newfoundland has opened a business development office, and Nunavut has established a presence in Ottawa. The latest addition to the Ottawa scene is the province of New Brunswick.

ACTIVITIES/RESULTS

Information Gathering/Dissemination: The Office maintains regular contact with a network of Ottawa-based bureaucrats, lobbyists, political staff and business people in an effort to keep abreast of any developments emanating from Ottawa which effect or potentially effect, interests in Manitoba. Examples of results from this activity include provision of a Media Review, Federal/Provincial Balance Sheets, analysis of Estimates of key federal departments and monitoring legislation and reporting on hearings of parliamentary committees.

Representation/Lobbying: The Office acts as Manitoba's continuing representative in Ottawa and our presence is felt at all levels of the federal government. It provides logistical arrangements for Manitoba lobby efforts and trade missions. Manitoba Office staff also provide a useful and money saving function by attending, on behalf of Manitoba government departments, various federal/provincial meetings where the agenda or duration does not justify specialists travelling from Manitoba, but where Manitoba's continued involvement is considered necessary. During fiscal year 2002/03, the Office attended over 20 such meetings. The Office also accompanies visiting Manitoba companies on calls to federal officials and provides office facilities where required to visiting Manitobans.

Procurement: While the procurement function involves some lobbying, the primary focus is on monitoring the progress and potential of specific purchases by the federal government. Activities include contact and liaison with federal officials, potential prime contractors, first tier subcontractors, Ottawa-based lobbyists, and most importantly, Manitoba industry. The capabilities of Manitoba suppliers are communicated to all parties involved in the procurement and the general direction for the contract is ascertained and communicated to relevant companies and appropriate Manitoba government officials. Specific complaints are also handled and in some cases resolved to the satisfaction of the Manitoba company. Even when not fully successful, such problems are less likely to re-occur after such consultation or intervention.

10-1(e) Manitoba Office in Ottawa

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	117.9	2.00	120.1	(2.2)	
Total Other Expenditures	67.2		82.7	(15.5)	
Total Expenditures	185.1	2.00	202.8	(17.7)	

MANITOBA BUREAU OF STATISTICS

OBJECTIVES

The primary role of the Manitoba Bureau of Statistics (MBS) is to serve the informational requirements of the Manitoba Government, its departments and crown agencies. Specific objectives are:

- to actively participate in and coordinate the development of the Manitoba statistical system in terms of information needs, collection, dissemination, analysis and presentation; and
- to adapt the Manitoba statistical system to address changing policy and program requirements and emerging issues.

In order to further its objective, MBS functions as the designated focal point for interface between the Province and Statistics Canada.

As the provincial central statistical agency, MBS has the following characteristics:

*Impartiality *Selective Specialization *Surveys *Coordination *Legislative Mandate

ACTIVITIES/RESULTS

The MBS strategic thrust is the provision of comprehensive information services to the Manitoba government, its agencies, the business community, and the general public. This strategy is carried out through four major areas of activity:

- responding to requests for MBS developed information; and liaison/coordination with Statistics Canada, provincial user departments/crown agencies, and with other provincial statistical agencies;
- providing common information services in order to avoid duplication of effort and costs in the areas of information collection, analysis and dissemination; and provision of relevant information to senior and executive levels of government;
- undertaking information development, survey consulting/design, statistical consulting, economic impact assessments, information processing, web-based information dissemination systems development, and adequacy of surveys; and
- administering the Bureau of Statistics and The Statistics Act (Chapter S205).

MBS is a service-driven agency. Selected activities and achievements are as follows:

Business Plans - MBS surveyed both senior managers and MBS clients in the provincial government to confirm whether programs and plans for future work are meeting the needs of our core users. An MBS Action Plan was developed to incorporate the lessons identified. From the surveys, 86% of senior managers rated MBS as effective or very effective in meeting the government's statistical information needs. In addition, 100% of clients graded the service provided by MBS staff as excellent or good.

Economic Accounts - MBS maintained an economic accounts framework for the Manitoba economy. These annual accounts measured the overall performance of the provincial economy, with additional detail about principal industries and sectors. Information from the Economic Accounts is used throughout the public and private sectors in Manitoba. Preliminary economic growth estimates for 2002 were released in February 2003.

Manitoba Population Estimates - Continued liaison with Statistics Canada and other provincial and territorial statistical agencies regarding the determination of the appropriate statistical methodology to be

used to determine provincial and territorial population estimates. These population estimates are of critical importance as they are used to determine Manitoba transfer payments.

National Climate Change Implementation Process - MBS was Manitoba's representative on the Analysis and Modelling Group (AMG), serving as provincial and territorial co-chair until October 31, 2002. The AMG, comprised of federal, provincial and territorial representatives, was charged with the responsibility of determining the economic impacts on the Canadian economy of Canada implementing the Kyoto Protocol (i.e., to reduce Greenhouse gas emissions by 6% in 2008-2012 from the 1990 levels. The AMG prepared economic impact assessments of various policy approaches to Canada ratifying the Kyoto Protocol. These assessments were provided at several Joint Ministers of Energy and Environment meetings.

Statistical Information Product Subscriptions - Departmental subscriptions to the full MBS subscription service totaled 12 (5 Manitoba government, 2 municipal government, 1 federal government and 4 business). In addition, the Legislative Library received six complete sets of MBS information products free of charge.

Key Economic Indicator Reports - These reports encompass indicators such as the Labour Force, Consumer Price Index, Population, and Investment. Relevant information is presented in both table and chart formats, and distributed on the day of release to selected Ministers and senior government officials. In addition, the "Quarterly Economic Summary", highlighting recent provincial economic developments, continued to be produced.

Statistical, Economic and Computer Consulting - Statistical, economic, computer and survey consulting services were provided to departments and crown agencies on both a "public good" basis and a cost-recovery basis (larger consulting projects). Major consulting activities have included economic impact assessment of various provincial economic initiatives for provincial departments.

Contract Surveys and Information Development - MBS designed and implemented surveys/information development projects for individual departments and crown agencies on a cost-recovery basis. Projects included Industry, Trade and Mines - Trade Statistics Database. MBS continued to conduct the Prices Monitoring Survey in 17 northern Manitoba communities, Brandon and Winnipeg.

Information Dissemination System - MBS has continued to enhance its desktop accessible information systems (e.g., Brief, InfoNet, Online and Trade). Enhanced InfoNet and Trade systems were developed. A new system MBS StatsBase is being developed to enable access and analysis to historical information series on a wide range of topics.

Interdepartmental Liaison - MBS assisted individual provincial departments and crown agencies with their statistical activities and problems with the objective of avoiding duplication of effort and costs.

Federal-Provincial Liaison - Represented Manitoba's views on statistical matters to Statistics Canada including possible new methodologies to determine Manitoba's population. This activity had a significant impact on the level of federal transfer payments that Manitoba receives. As part of the national statistical system, MBS represents Manitoba on the Consultative Council on Statistical Policy as well as a number of other subject matter statistical committees.

Information Requests - MBS responded to enquiries for information from MBS developed databases (Economic Accounts, Investment Statistics, Trade Statistics, Business Register, Vital Statistics, Postal Code Translator File). As well, MBS responded to requests for non-MBS developed data. These information requests ranged from those requiring a single quick response to those that required the development of custom computer-generated reports.

10-1(f) Manitoba Bureau of Statistics

Expenditures by Sub-Appropriation	Actual 2002/03	Estimate 2002/03		Variance Over (Under)	Expl. No.
	\$	FTE	\$		
Total Salaries & Employee Benefits	673.8	14.00	788.3	(114.5)	
Total Other Expenditures	183.1		173.0	10.1	
Less: Recoverable from Other Appropriations	(80.6)		(60.0)	(20.6)	
Total Expenditures	776.3	14.00	901.3	(125.0)	

GRANT ASSISTANCE - MANITOBA HORSE RACING COMMISSION

OBJECTIVES

The objectives were to provide grant support to facilitate a harness racing meet on the Manitoba Great Western Harness Racing Circuit as well as quarter horse racing in Manitoba during the summer of 2002.

ACTIVITIES/RESULTS

During the summer of 2002, 18.5 days of harness racing took place in 8 towns in rural Manitoba. In addition, 2 days of quarter horse racing took place in Rossburn, Manitoba. In addition to supporting the continuation of harness and quarter horse breeding and racing in Manitoba, community activities associated with race days net the various communities small profits which are available to support local community projects.

10-1(g) Manitoba Horse Racing Commission

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE \$	Variance Over (Under)	Expl. No.
Total Other Expenditures				
Total Grant/Transfer Payments	104.1	104.0	0.1	
Total Expenditures	104.1	104.0	0.1	

BUSINESS SERVICES

INDUSTRY DEVELOPMENT - FINANCIAL SERVICES

OBJECTIVES

The role of the Financial Services Branch is to facilitate the creation, growth and expansion of businesses in Manitoba. The role is one of support to the government's economic development strategies. In providing the support the Branch performs five functions:

- administer several of the programs that provide financing assistance to businesses;
- provides expertise on business case development and business financing;
- provides best practices expertise for the use of economic development tools;
- administers the affairs of the Manitoba Development Corporation; and
- provides accounting and financial management services to other units in the government.

ACTIVITIES/RESULTS

PROGRAMS UNDER ADMINISTRATION

Manitoba Industrial Opportunities Program (the MIOP Program) The MIOP Program provides financial support to assist businesses to expand in Manitoba. The financing is in the form of repayable, secured loans and the repayment terms can be somewhat flexible. Favorable interest rates are available to businesses that undertake significant investment in fixed assets and/or create new jobs. The loans usually are in the range of \$250,000 to \$5 million. Since its inception in 1988 the MIOP Program has loaned a total of \$208 million for 120 business expansion projects. This MIOP Program financing has levered \$801 million worth of private sector investment and close to 12,000 jobs. In 2002/03 the Branch confirmed \$14 million worth of loans for four new business expansion projects. This \$14 million will lever \$73 million worth of private sector investment capital.

Manitoba Business Development Fund (the Fund) The Fund provides financial support to assist with business development activities in Manitoba. The financing is in the form of cost-sharing assistance and usually is non-repayable. The cost-sharing assistance usually is in the range of up to \$50,000 and usually is for up to 50% of the cost of the business development activity. The Fund has three sub-programs. The Technology Commercialization Program assists businesses with the development and/or application of new technology. The Feasibility Studies Program assists businesses and business-support organizations with the assessment of new business opportunities. The Special Projects Program assists businesses and business-support organizations with initiatives that are of strategic significance to Manitoba's economy. In 2002/03 the Branch confirmed cost-sharing assistance for 29 new business development projects.

Manitoba Equity Tax Credit Program (the METC Program) The METC Program provides financial support to assist Manitoba-based companies in obtaining public market financing. The financing is in the form of tax credits. The tax credit benefits are provided to Manitobans that buy and hold qualifying securities of qualifying businesses. Manitoban businesses may qualify for up to \$5 million per year worth of tax-creditable securities. Since its inception in 1999 the METC Program has assisted three businesses in "going public" and has levered \$6.6 million worth of private sector investment capital.

Third-Party Investment Funds Program (the Investment Program) The Investment Program provides financial support to assist Manitoba-based venture capital investment businesses in attracting private sector investment capital. The financing is usually in the form of equity and is usually ranked pari passu with the private sector equity capital. The equity investments usually are in the range of \$3 million to \$5 million and usually are for up to 20% of the committed capital. Since its inception in 1996 the Investment Program has invested a total of \$16 million into 5 venture capital investment businesses. The Investment Program has levered \$52 million worth of private sector investment and placements of capital into 78

operating companies. In 2002/03 the Branch confirmed investment of up to \$5 million into one new venture capital investment business. The \$5 million will lever between \$20 million and \$30 million in private sector investment capital.

Labour-Sponsored Investment Funds Program (the LSIF Program) The LSIF Program provides financial support to assist labour-sponsored investment funds (LSIFs) in attracting private sector investment capital. The financing is in the form of tax credits. The tax credits benefits are provided to Manitobans that buy and hold qualifying securities of qualifying LSIFs. LSIFs may qualify for up to \$30 million per year worth of tax-creditable securities. Since its inception in 1992 the LSIF Program has levered a total of \$271 million worth of private sector investment and placements of capital into 60 operating companies. In 2002/03 the Branch confirmed investment of a total of \$38 million into two LSIFs.

SPECIAL PROJECTS

Capital Markets Initiative The Branch is a leader in collaborative, multi-party efforts to strengthen the depth and breadth of the province's capital markets infrastructure. The leadership role arises from the Branch's expertise and contacts in the finance industry and mandate for facilitating business investment. In 2002/03 the Branch contributed to a number of initiatives. It commissioned and received an independent study on the supply of capital in Manitoba. It provided secretariat support to the Premier's Economic Advisory Council and envisioned and co-lead the Business of Science conference. It supported business development initiatives for the mining, biotechnology, health sciences, aerospace, film, financial services, manufacturing and agri-food businesses.

OTHER RESPONSIBILITIES

Manitoba Development Corporation (the MDC) The MDC is the province's agents for administering repayable financial assistance. The Branch administers the MDC's portfolio of loans and investments. As at March 31, 2003, the MDC has \$74 million in financial net assets under management.

10-2(a) Industry Development - Financial Services

Expenditures by Sub-Appropriation	Actual 2002/03 \$	FTE	Estimate 2002/03 \$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	780.3	12.00	790.8	(10.5)	
Total Other Expenditures	354.5		362.4	(7.9)	
Program Delivery:					
- Manitoba Industrial Opportunities Program	9,117.8		10,511.0	(1,393.2)	1
- Vision Capital Fund	802.5		1,372.4	(569.9)	2
- Manitoba Business Development Fund	845.9		1,313.1	(467.2)	3
- Third Party Managed Capital Funds	1,537.8		2,520.1	(982.3)	4
- Less: Interest Recovery	(3,769.4)		(7,668.6)	3,899.2	5
Mineral Industry Support Programs*					
- Mineral Exploration Assistance Program	2,429.5		2,500.0	(70.5)	
- Manitoba Potash Project	145.0		196.5	(51.5)	
- Acid Rain Abatement Program – Flin Flon	231.4		232.0	(0.6)	
- Prospectors Assistance Program	122.2		125.0	(2.8)	
Total Expenditures	12,597.5	12.00	12,254.7	342.8	

* Mineral Industry Support Programs are delivered and illustrated under the Mineral Resource Division

1. Interest expenditures under budget, partially offset by over-expenditures related to bad debt and forgivable loans.
2. Province received a large repayment earlier then originally projected.
3. Several grant expenditures that were included in the budget were not processed.
4. Expenditures related to interest, bad debt and consulting fees were under budget.
5. Interest recoveries were under budget due to delayed loan disbursements.

MANITOBA TRADE AND INVESTMENT MARKETING



**MANITOBA
TRADE AND
INVESTMENT**



OBJECTIVES

Manitoba Trade and Investment Marketing (MTIM) helps build the Manitoba economy through increased exports and industry investment, focusing on industry development, export and entrepreneurial immigration opportunities. It supports this mission through the following goals:

- economic growth of the manufacturing, processing and services sectors
- increased exports, with a targeted focus on small to medium-sized businesses
- increased inward investment
- competitive marketing information
- business retention and expansion

ACTIVITIES/RESULTS

Canada-Manitoba Memorandum of Understanding

Economic development is truly a cooperative effort, and MTIM encourages and facilitates cooperation with other provincial, federal, and civic economic development agencies. A key example is the high level of cooperation between the Province and the federal government arising from a Memorandum of Understanding (MOU), renewed in April 2000, to promote international business development.

Business Investment

The Business Investment Branch encompasses three areas of activity—general promotion, business recruitment, and entrepreneur recruitment (through the Provincial Nominee Program for Business). These activities are designed to attract business and businesspersons to Manitoba through greenfield investments, joint ventures, strategic alliances, plant expansions, and business succession.

The Branch responds to investment opportunities received from a number of sources—its web site, Canadian embassies and consulates, local business people, and other provincial and federal departments. Depending on the nature of the proposal, a response and assistance are coordinated with the department, other agencies, and the private sector. Inquiries encompass businesses in manufacturing, call centres, agricultural enterprises, property development, entertainment, and retail.

MTIM is the prime contact for investment activities with various federal government departments, including Investment Partnerships Canada, the Department of Foreign Affairs & International Trade (DFAIT), Industry Canada, and Western Economic Diversification. MTIM also participates in a number of joint activities with the federal government, including web site development, investment missions, development of the KPMG Study on Competitive Alternatives (and its accompanying model), and meetings with Trade Commissioners around the world.

In addition, MTIM is a member of Corenet Global (formerly the International Development Research Council), an association of site selectors; corporate real estate executives, many of whom are from Fortune 1000 companies in the U.S. and Canada; and economic development agencies.

Provincial Nominee Program for Business – Since the Program's launch in October 2000, nearly 500 applications have been received, with 240 approvals to date. The main source country continues to be South Korea. The average proposed investment in 2002 was \$305,000, and this level of investment is expected to continue. Prior to the launch of the Program, Manitoba was receiving 10 to 15 business immigrants per year, each one investing an average of \$100,000.

In 2002/2003, the Program took steps toward a self-funding model with the introduction of a \$75,000 deposit requirement for all approved nominees (the funds are released once the applicant has established

their business). The deposit requirement commenced in June 2002. The interest income generated by the deposits is utilized to offset program costs.

The first arrivals of landed immigrants under the Program occurred in February 2002, with approximately 10 businesses now started.

Industry Consulting

This branch is structured to respond to the reality that the majority of business investment will be through expansion of local business.

Industry consultants provide sector knowledge to businesses (manufacturing, processing, and services sectors) in the areas of marketing, technology, business development, and management. Existing infrastructure advantages are used to maximize economic development opportunities and encourage the commercialization and adoption of new technologies, and strategic alliances that further strengthen and diversify Manitoba's industrial capabilities.

Sector Development – Sector development activities provide an ongoing analysis of each of Manitoba's major industrial sectors (aerospace, equipment manufacturing, food processing and wood products). Strengths, weaknesses, emerging trends, threats, and opportunities are considered, developing sector profiles, competitive comparisons with other major jurisdictions, and a strategic plan for the future development of the particular sector in Manitoba.

Project Development – Project development activities within the branch are wide-ranging and include a variety of projects from those initiated by sector planning activities to those responding to specific requests from established companies. The objective of all project development activities is to create and maintain jobs and investment in Manitoba.

Highlights of 2002/03 – In the past year, Industry Consulting continued its efforts in sector development and the creation of new jobs and investment. More difficult economic times, particularly in the aerospace sector, dictated that significant time was spent assisting existing companies to cope with the downturn in that sector. Manitoba's aerospace industry continues to maintain considerable strength through these challenging times.

Industry Consulting, in partnership with other stakeholders in the manufacturing sector, launched a High Performance Manufacturing Initiative. Together with the Canadian Manufacturers and Exporters Association and QNet, Industry Consulting undertook an extensive review of the best practices in the manufacturing community and a detailed evaluation of methods of competitive productivity comparisons. The goal is to establish benchmarks and programs to assist Manitoba manufacturers to increase their competitiveness in the global marketplace.

During the past year, the creation of the Vehicle Testing Centre (VTC) was formally launched and a Board of Directors appointed. The VTC is a result of federal and provincial contributions towards the long-term success of the transportation sector in Manitoba. Its creation was a direct result of a commitment made to those directly involved in manufacturing buses in Manitoba. The VTC will provide important infrastructure and testing capabilities to the bus manufacturers, as well as encouraging the further development of suppliers to the industry and manufacturers of other transportation-related products.

During 2002/03 Industry Consulting participated in providing assistance and analysis in a wide range of projects from a variety of sectors including food, mining, forestry, and financial services.

International Business Development and Services

International Business Development provides a variety of services, summarized in the chart below.

Services

<i>General Information</i>	<i>Skills Development</i>	<i>Export Counselling</i>	<i>Market Entry Support</i>	<i>In-Market Assistance</i>
Toll-free export information service	Export preparation guide	Export-readiness assessment	Market information and informational sessions	Market prospects
MTIM Web site	Export skills training	Market readiness assessment	Trade fairs/shows	Key contacts search
MTIM newsletter	Preparation for U.S. market	Export plan development	Trade missions	Visit information
General seminars	Preparation for other markets	Export plan implementation	Partner identification	Direct contacts
			Market intelligence	Local company information
			Advocacy	Troubleshooting
			Reverse trade shows, incoming missions	Government and business liaison
			Trade show support (TAP)	
			Identification of country opportunities for International Projects	

Foreign Trade Representatives – In 2002/03, five foreign trade representatives (two in Europe and one each in Mexico, Chile, and China) worked on behalf of the Province to provide onsite regional support and contacts for Manitoba businesses.

International Projects Office – The International Projects Office (IPO) is a new initiative of MTIM, begun in June 2001. Its focus is to increase the number and value of contracts secured by Manitoba companies and organizations for international development projects that are financed by the Canadian International Development Agency (CIDA) and International Financial Institutions (IFIs). IFIs include the World Bank, Inter-American Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, Caribbean Development Bank, and African Development Bank.

IPO formed the Energy Services Alliance of Manitoba (12 companies) to pursue energy development projects in developing countries, and is currently engaged in direct development of a number of projects in other sectors such as eco-tourism, construction, water sanitation, and health care and social services.

Exporter Development – International Trade Development concentrates on new exporter development and trade promotion (1) to increase the number of Manitoba companies that are active exporters and (2) to increase their market diversification.

The Exporter Development program includes a variety of activities and services that assist Manitoba's small and medium-sized businesses in their international marketing activities. In 2002/03, the program helped:

- over 300 companies to become new or diversified exporters
- 57 companies to participate in trade shows through the Trade Assistance Program

Priority sectors included food and beverage processing, building products, original equipment manufacturers (OEMs) and sub-components/agricultural equipment, life sciences, knowledge-based industries, and exportable services.

**Manitoba Exports to Other Countries in 2002
(\$ million)**

United States	7,596.5.0
Japan	469.0
Mexico	138.5
Hong Kong	111.9
Belgium	109.8
People's Republic of China	74.0
United Kingdom	65.2
Taiwan	54.0
Australia	47.6
South Korea	39.1

Source: Manitoba Bureau of Statistics

U.S. and Trade Operations – The U.S. continued to be Manitoba's largest export market with 81.8% of our merchandise exports destined for the United States. In addition, 84% of merchandise imports received by Manitoba were from the United States. Manitoba exports to the U.S. increased to \$7,596.5 million in 2002, an increase of 1% over 2001.

In **fiscal 2002/03**, MTIM participated in or organized several events, some of which are listed below. In total, 80 Manitoba companies participated, with an estimated \$560,000 on-the-spot sales and almost \$12 million in projected sales.

- National Restaurant Show, Chicago, IL – May 2002
- AmCon Show (OEM/Components), Minneapolis, MN – October 2002
- Information Technology Mission, Minneapolis, MN – October, 2002
- Food & Beverage Mission, San Antonio, TX – October 2002
- Amarillo Farm & Ranch Show, Amarillo, TX – December 2002
- America's Food and Beverage, Miami, FL – December 2002
- Incoming U.S. Buyers' Mission (OEM/Components), Winnipeg, MB – March 2003

Mexico and Emerging Markets

Mexico – In 2002, Mexico was Manitoba's fourth largest export market, after the U.S., Japan, and China/Hong Kong. Exports totaled \$138.5 million, a decrease of 21.9% from the previous year, and represented 1.5% of total Manitoba exports. Top export products included grains, canola, pork and other meat products, vegetables, dairy products, articles of base metal, and wood products.

In **fiscal 2002/2003**, MTIM participated in or organized the following major activities regarding Mexico:

- outgoing mission in April 2002 to Jalisco and Mexico City on education, information technology, and trade promotion. Manitoba participated in "Canada Week in Jalisco" and showcased five educational institutions. An information technology mission took place in Jalisco and Mexico City, resulting in agent/representative agreements being signed and key players being identified in the local industry.
- appointment of Larry McIntosh by the Honourable MaryAnn Mihychuk as Manitoba's representative on the "Manitoba/Jalisco Sisterhood Agreement"
- first incoming business mission from Jaltrade (Jalisco) to Manitoba in September 2002
- outgoing mission in October 2002 by nine Manitoba companies to Jalisco, Monterrey and Coahuila. Four companies signed strategic alliance agreements. Three companies negotiated new product sales contracts with an estimated value of \$350,000. Two companies established locally engaged sales offices.
- incoming visit by Manitoba's foreign trade representative, who met with 20 Manitoba companies in January 2003 to explore export opportunities
- ministerial business mission in February 2003 to Nuevo Leon, Jalisco, and Coahuila of seven Manitoba companies to explore new business opportunities and develop bilateral government relationships with the states of Nuevo Leon and Coahuila. Manitoba companies received requests for tender submissions, including a \$10 million project.

South America – MTIM's primary export efforts in South America have targeted the largest markets of Argentina, Brazil and Chile, with other sizable countries playing a significant, but smaller, role.

In **fiscal 2002/03**, MTIM participated in or organized the following:

Brazil

- incoming mission of representatives of the Federal Government of Brazil, on an outreach program throughout Canada, who met with MTIM on Manitoba's capabilities and export companies

Chile

- two incoming business missions
- Winnipeg Chamber of Commerce breakfast meeting at which 12 companies committed to consider the Chilean market
- incoming visit by MTIM's foreign trade representative in Chile, who met with 21 Manitoba companies to initiate business
- continuing follow-up on previous MOUs and bilateral agreements with the City of Valparaiso

Paraguay

- incoming commercial mission from Paraguay in conjunction with Manitoba Agriculture and Food, working directly with the Paraguayan Federal Minister of Agriculture and Livestock and the Paraguayan Ambassador to Canada

Central America, the Caribbean, and Other Emerging Markets – Manitoba's activities in the Caribbean have primarily focused on initiating business discussions in Cuba and the Dominican Republic. Both these countries are forecast to continue to predominate with positive economic forecasts. The Dominican Republic has the highest growth rate, exceeding 8 percent in the last three years.

In **fiscal 2002/03**, MTIM organized the following:

Central America

- an initial exploratory visit to San Jose, Costa Rica, and Panamá City, Panama
- attendance at a key trade show in Panama (Expocomer), which has heavy participation from all of Latin America
- presentations and meetings with importing agencies, chambers, and associations
- working with Trade Team New Brunswick to identify opportunities for Manitoba goods and services in the Caribbean and Central America

Cuba

- business mission with eight Manitoba companies exhibiting at the Havana International Trade Fair in November 2002
- presentations and meetings with Ministers of Trade, Agriculture, Light Industry, and Tourism, as well as with the President of the Chamber of Commerce
- meeting with the Presidents and staff of the two largest food importing agencies for the country
- attendance at Canada Day Reception at the Official Residence of Ambassador Small, providing opportunities to meet many prominent business players
- an incoming Cuban delegation for the Director, Embassy of Cuba and with the Director of Trade in North America for Cuba.

Dominican Republic

- incoming mission business meetings with three large firms (dairy products, fruit processing, and tourism)

Sri Lanka

- organized and hosted a business meeting for the High Commissioner of Sri Lanka, introducing her to 15 business people and our two Chambers of Commerce

Middle East, India, and Africa – From 1998 to 2002, the entire Middle East region suffered as a consequence of the instability leading up to the conflict in Iraq.

In **fiscal 2002/03**, MTIM participated in or organized the following:

Middle East and India

- introducing 37 Manitoba companies to market opportunities in the Middle East
- two incoming Indian business missions that resulted in 10 Manitoba companies being introduced to India
- five incoming Iranian business delegations that resulted in five new Manitoba companies being introduced to this market
- an incoming business mission from Egypt, Qatar, and Iran
- an incoming mission from Morocco, Tunis, and Algeria
- one outgoing mission to India and the United Arab Emirates (UAE). Six companies are pursuing leads for business in the UAE as a result of this trip
- seven companies are investigating business potential with leads from Israel, another three companies to Pakistan

South Africa

- the Johannesburg program of the Team Canada 2002 mission
- an outgoing mission to South Africa, with four new companies now actively exploring the South African market
- an incoming mission from South African farm equipment dealers who visited six OEM manufacturers and signed a distributorship agreement with two Manitoba companies
- an incoming mission from Invest North West, the trade and investment agency for the North West Province
- introduction of two Manitoba companies to South African project leaders, that have since been invited to submit proposals for projects in the North West Province in the eco-tourism sector, and of one Manitoba company to contacts in South Africa which led to importation of a new line of South African wines
- met with the Trade Commissioner of South Africa to Canada to discuss shared cultural projects

Asia and Europe – This region represented significant export market for Manitoba. Exports to the region in 2002 were \$916.2 million, an 11.9% decrease from 2001. Decreased shipments were primarily grains to China. Japan, China/Hong Kong, and Australia are Manitoba's primary target markets within the region.

Australia

Australia is now Manitoba's ninth largest export market with exports of \$53 million. The bulk of Manitoba's exports to Australia are value-added goods with pork products as the only commodity item. In June 2002, MTIM hosted a large incoming mission of Australian agricultural equipment buyers.

China/Hong Kong

Exports to China/Hong Kong of \$186 million in 2002 showed a decrease of 40% compared with 2001 figures of \$308 million. The decrease in exports to China/Hong Kong was primarily in agriculture products including canola (-\$80 million) barley (-\$20 million) and wheat sales (-\$20 million). The decrease in exports to China were a result of a number of influences, which included higher grain prices, China's bumper crops and drought on the prairies. China/Hong Kong is Manitoba's third largest regional export market

In **fiscal 2002/03**, Manitoba Trade and Investment Marketing participated in the following:

- ministerial trade mission to China in October 2003 – 13 companies participated
- incoming visit in June 2002 from the Vice Governor Li from Henan Province
- incoming visit in October 2002 from the Vice Minister of the People's Republic of China
- continuing discussions with the Inner Mongolia Autonomous Region and assistance to Manitoba Agriculture & Food on four incoming missions from Mongolia

Japan

Japan continued to be Manitoba's second-largest market, with exports totaling \$469 million in 2002, an increase of 3.1% over 2001 exports, with agricultural products predominant.

In **fiscal 2002/03**, MTIM participated in or organized:

- an incoming wheat and canola buyers mission with Manitoba Agriculture in June 2002
- promoted Manitoba through personal meetings at the Canadian offices in Japan in December 2002
- an incoming visit by Senior Trade Advisor for Japan External Trade Organization (JETRO) in January 2003
- an incoming visit for the Department of Foreign Affairs Officer responsible for Building Products in March 2003

Other Asia-Pacific Markets

In **fiscal 2002/03**, MTIM:

- led the MBA Manitoba study mission, with University of Manitoba staff, to Singapore, Malaysia, and Thailand and promoted Manitoba products and capabilities as part of the mission in May 2002
- co-sponsored the "Business Opportunities in Indonesia" Seminar with the Indonesia Consulate in Toronto and the Winnipeg Chamber of Commerce and Industry in December 2002
- co-ordinated an incoming visit by Indonesian government representatives

Western Europe

Manitoba exports to Western Europe in 2002/03 were \$317.8 million, a decrease of \$50.7 million from the previous year. Exports of unwrought nickel decreased by \$39 million to \$30 million and leguminous vegetables decreased by \$18.2 million to \$28.6 million.

In **fiscal 2002/03**, MTIM participated in or organized events such as:

- 60 Manitoba companies in assessing 88 opportunities in Europe. Fifteen (15) companies visited Europe on programs arranged by MTIM staff.
- six visits from incoming government representatives from Europe
- five Manitoba agri-food companies attending SIAL, the European Food Show in Paris, France
- 11 representatives from seven companies and one industry association participating at MIDEM, the largest international trade show for the Sound & Recording Industry
- follow-up of a biotechnology partnering initiative undertaken in 2001. Two association representatives from the UK and Germany meet with Manitoba firms to explore potential opportunities.

-
- two firms participating at the aerospace trade show at Farnborough, UK, one of the world's largest such events

Marketing

The Marketing Branch provides extensive promotional support to the Department of Industry, Trade and Mines (IT&M) through the coordination of marketing activities and development of promotional materials. These marketing activities include five key areas:

- Web sites and electronic marketing
- Advertising and communications
- Production of brochures
- Event marketing
- Market intelligence and information services

In 2002/03, Manitoba Trade and Investment Marketing continued to focus on key priorities:

- Partnerships with community organizations to promote "homegrown" economic development.
- Development of e-marketing and web site capabilities
- A consistent and cohesive marketing strategy, message, and image

Web sites and electronic marketing

As well as managing the MTIM web site (<http://www.manitoba-canada.com>) in 2002/03, the Marketing Branch assumed additional responsibilities to coordinate the overall strategy and development of the main IT&M web site and the branch/division sites that fall under it (<http://www.gov.mb.ca/itm>). The Department also assumed responsibility for managing the Energy, Science and Technology site.

In addition to major web site improvements, *new web site sections* were added for promoting:

- Energy Services Alliance of Manitoba
- 3-dimensional Model of Manitoba
- Orphaned/Abandoned Mines Initiative
- Manitoba Oil and Industrial Show, May 13-15, 2002
- Final Report for the mining task force

Development work was launched on a major "Access to Capital" site to be launched later in 2003. Industry sector profiles were enhanced and updated. Improvements and additions were made to the GIS Map Gallery, the Digital Elevation Model of Manitoba and the Paleofloods in the Red River Basin.

Two issues of an electronic Events Update newsletter were distributed.

Work was finalized on the Manitoba Business Information Service that was launched in the summer of 2002.

Advertising and communications

Manitoba Comebacks campaign – Four issues of *Manitoba Calling* magazine were produced and distributed to expatriate Manitobans. Over 400 resumes of expatriates wishing to return home were received and made available to employers who were experiencing difficulty in recruiting.

Production of brochures

The following new or updated print materials were produced:

- "Access Advantage" brochure (updated)
- Manitoba Sector Profile Report
- Manitoba Facts for Investors
- guide and CD-ROM for Original Equipment Manufacturers

Event marketing

Event marketing support was provided for:

- Manitoba Mining and Minerals Convention, November 2002
- Business of Science Conference, October 2002
- Honouring Manitoba's Top 50 Fastest-Growing Businesses - Industry, Trade and Mines hosted this annual successful event, in cooperation with *Manitoba Business Magazine*, to honour Manitoba's top 50 fastest-growing companies.

Market intelligence and information services

MTIM continued to provide international *business development information products and services* to Manitoba clients/companies and information about Manitoba company capabilities for potential clients in overseas markets. The program involves data collection surveys with federal and provincial delivery partners, analysis, and dissemination.

10-2(b) Manitoba Trade and Investment Marketing

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	2,138.6	34.00	2,265.1	(126.5)	
Total Other Expenditures	2,262.1		2,394.0	(131.9)	
Total Grants/Transfer Payments	93.3		95.0	(1.7)	
Less: Recoverable from Rural and Urban Economic Development Initiatives	(1,000.0)		(1,000.0)	0.0	
Total Expenditures	3,494.0	34.00	3,754.1	(260.1)	

SMALL BUSINESS DEVELOPMENT

Small business is recognized as the engine that drives the Canadian economy. The Branch's target client groups are the 34,000 small businesses in Manitoba that make up over 90% of all businesses in Manitoba, the self-employed entrepreneurs numbering 90,000 and growing, and new business ventures. Branch clients represent businesses from retail, wholesale and manufacturing to services, technology and home-based businesses.

OBJECTIVES

The objective of the Small Business Development Branch is to provide the necessary tools for successful business development. The Branch's primary role is to develop, co-ordinate and deliver services and programs for the enhancement and growth of Manitoba's entrepreneurial and small business community. The Branch has recognized the multi-cultural nature of Manitoba's entrepreneurial community and has customized its programs to address the specific needs of these business people. Services in business management, business planning and access to capital are tailored to meet the needs of new entrepreneurs including women, Aboriginals, new immigrants, youth, people with disabilities and professionals.

ACTIVITIES/RESULTS

The activities of the Branch are generic in scope with the intent of reaching a broad spectrum of individuals and business types. The major thrusts of the Branch are to assist small business start-ups and growth of existing businesses through the provision of management training, information services, counselling and financial assistance. Branch programs are developed in partnership with business associations, other government departments (federal and provincial), educational institutions and the public.

The Small Business Development Branch delivers extensive business information, business and trade library services through the Canada/Manitoba Business Service Centre, the E-Business Service Centre and a variety of programs and services including Mobile Business Service Centre, Business Start, Business Counselling, Manitoba Marketing Network and Entrepreneurial Development and Training. Business information, counselling services, business and trade library services are also delivered through the Western Region Office in Brandon.

Canada/Manitoba Business Service Centre - Effective April 1, 1998, the Small Business Development Branch integrated services and co-located its programs with the Canada Business Service Centre into a single, highly visible, efficient operation to support Manitoba business development and entrepreneurship. The new business service centre which is known as the Canada/Manitoba Business Service Centre (C/MBSC) represents a single point of contact for current and accurate business information, extensive business and trade library services, market research and improving management effectiveness through business counselling and education programs.

In 2002/03, the C/MBSC responded to approximately 51,000 business and trade-related inquiries. In addition, the business counsellors of the Small Business Development Branch incurred approximately 6700 client interactions during the year. The number of hits on the C/MBSC website were approximately 6 million.

C/MBSC Satellite offices - Through the Partnership Agreement with Western Economic Diversification, there exists 24 satellite C/MBSC offices throughout Manitoba which will make business information and resources more accessible to all entrepreneurs throughout all regions of Manitoba.

E-Business Service Centre - The E-Business Service Centre (E-BSC), introduced in 2000/2001, within the C/MBSC, provides the information that small and medium sized enterprises need to enable them to be aware and adopt e-commerce and e-business technologies within their businesses.

In 2002/03, the E-BSC responded to over 1,500 e-business related enquiries and delivered and/or facilitated 32 e-business related seminars and workshops to approximately 800 participants, including several in rural Manitoba.

Entrepreneurial Development and Training Seminars were provided in partnership with other agencies to more than 2,300 participants. These seminars included marketing, management development, How To Start A Small Business workshops, youth entrepreneurship workshops as well as a variety of other business and technology related topics. A senior student workshop was also held in 2002/03 and approximately 100 students from high schools in and around Winnipeg participated. The Manitoba Marketing Network delivered six workshops to 127 participants and counselled 52 small businesses. Workshops were held in Winnipeg, Brandon and Altona.

The Aboriginal Business Development Program, promotes entrepreneurship training, business information, workshops and business counselling to Aboriginal entrepreneurs and community based organizations in the interest of developing small business and entrepreneurship. Ota-Miska, a resource directory outlining services available to Aboriginal people in Manitoba, was updated and will be published and circulated to all agencies and organizations working with Aboriginal people in September 2003. There exists nine C/MBSC satellite offices which focus on Aboriginal Business Development, with over 50% of the clients being Aboriginal.

Under the **Business Start Program**, 41 loan guarantees totalling \$374,199 were approved in 2002/03. During the year, 823 participants attended the 34, three-day Business Planning Workshops conducted throughout Manitoba under the Business Start Program which includes 14 workshops conducted in the rural and northern areas.

The Mobile Business Service Centre, visited 20 rural and northern communities in conjunction with business seminars/events and handled more than 300 inquiries/referrals. Six business planning workshops were also conducted in rural and northern Manitoba on a variety of business related topics.

Publications developed by the Branch and the C/MBSC continue to be a valuable resource to the business community and support the Branch's training programs. The Branch, the C/MBSC and the E-BSC produce over 60 publications on a variety of subjects including business information, business planning, small business management systems, e-business and e-commerce, entrepreneurial handbooks and self-evaluation guides. Publications are distributed through the Branch, the Canada/Manitoba Business Service Centre and its satellite offices, the E-BSC, the Mobile Business Service Centre, Western Region Office in Brandon, and 34 business development outlets throughout Manitoba.

Small Business Counselling Services were provided to over 6,700 clients in 2002/03. Business Counsellors provided one-on-one business counselling to entrepreneurs and businesses in a number of sectors including retail, service and manufacturing. The Business Counsellors also conducted six workshops pertaining to starting a small business and marketing.

Western Regional Office – provides general business counselling services, management development training programs, business planning workshops and various resource materials and general business information to Brandon and the surrounding communities. In 2002/03, the Western Regional office responded to approximately 5,600 business related enquiries.

Other Activities - Branch staff partnered with other departments and agencies in the successful delivery of Small Business Week, Rural Forum 2002 the Young Entrepreneurs Program and the delivery of French-language services at the Bilingual Government Service Centres located in St. Boniface, St. Pierre and Notre Dame de Lourdes. The Branch supported and participated in a number of other projects including Uniquely Canada, Canadian Women Entrepreneur of the Year Awards, Manitoba Women Entrepreneur of the Year Awards, Manitoba Aboriginal Youth Achievement Awards, a variety of projects pertaining to Entrepreneurs with Disabilities, Junior Achievement Northern and Urban Aboriginal Youth, Senior Student Business Workshops, Regional Economic Development Symposiums and Cultural Industries Training.

10-2(c) Small Business Development

Expenditures by Sub-Appropriation	Actual 2002/03	Estimate 2002/03		Variance Over (Under)	Expl. No.
	\$	FTE	\$		
Total Salaries & Employee Benefits	996.7	21.50	943.4	53.3	
Total Other Expenditures	509.8		596.9	(87.1)	
Total Grants/Transfer Payments	30.0		30.0	0.0	
Total Expenditures	1,536.5	21.50	1,570.3	(33.8)	

MINERAL RESOURCES

MANITOBA GEOLOGICAL SURVEY

OBJECTIVES

The primary role of the Manitoba Geological Survey (MGS) is to provide geoscience information to support and facilitate mineral exploration in the province. Public sector geoscience information is recognized worldwide as an incentive to mineral exploration. Increasingly, however, MGS is conducting a broader range of geoscience activities that address a number of key issues facing Manitobans; for example, assessment of past flood events in the Red River valley, construction of three-dimensional models of surficial materials and bedrock in southern Manitoba (with implications for groundwater studies), and the Capital Region Study (providing industrial mineral, aggregate and engineering information for municipalities in the most heavily populated part of the province).

The Minerals Policy and Business Development section of MGS is responsible for monitoring industry and commodity information used in formulating of Manitoba's minerals policies, promoting mining and exploration investment opportunities organizing and staging of the annual Mines and Minerals Convention and administering the Mineral Exploration Assistance Program (MEAP) and Manitoba Prospectors Assistance Program (MPAP). The section helps facilitate the provision of community adjustment services to communities facing mine closure. To achieve these goals, the Minerals Policy and Business Development section works closely with the Manitoba Geological Survey and the Mines Branch of Industry Trade and Mines and all affected government departments.

ACTIVITIES/RESULTS

GEOSCIENCE PROGRAM

The MGS conducts a wide range of investigations in Manitoba's Precambrian Shield, Western Canada Sedimentary Basin, and Hudson Bay Basin. Investigations include examination of exposed bedrock, subsurface materials, and surficial sediments including sand, gravel and organic deposits. Major field-based activities conducted by the MGS include bedrock mapping at a number of scales, as well as more specialized, thematic projects.

The geoscience program is reviewed annually by the Mineral Exploration Liaison Committee (MELC), composed of members of the Mining Association of Manitoba, the Manitoba Prospectors and Developers Association and the Manitoba-Saskatchewan Prospectors and Developers Association, as well as representatives from the University of Manitoba and the Geological Survey of Canada (GSC).

In 2002-2003, approximately 20% of the total project-related operating budget was directed toward studies in the northern Superior Province, primarily for programs in support of diamond-related exploration. Approximately 53% of the project-related operating budget was directed toward projects within traditional mining camps: Flin Flon Belt, Lynn Lake Belt, Thompson Nickel Belt and southeastern Manitoba. The remaining 27% supported Quaternary, aggregate, industrial minerals and land-use planning in the south-central part of the province, as well as province-wide projects.

Partnerships or collaborative projects with external agencies and organizations form an increasing proportion of the MGS geoscience program. The partnered initiatives include contributions from the federal government, the mineral-exploration industry and several Canadian universities. These partnerships added approximately \$1.3 million to geoscience programming in Manitoba for 2002-2003, representing significant leverage of the MGS geoscience budget.

Federal-provincial cooperation and coordination of geoscience projects continued with the final year of the Government of Canada's three-year Targeted Geoscience Initiative (TGI). The GSC is involved in two projects located in Manitoba and adjoining portions of Saskatchewan. Funding from GSC through the TGI

is matched by funding and in-kind contributions by MGS. The mapping projects will significantly increase understanding of the geology and mineral deposits in Lynn Lake–Leaf Rapids and Flin Flon regions, where there is significant potential for the discovery of new base- and precious-metal deposits.

Precambrian Mapping

Regional mapping projects were conducted in the Superior Province, Thompson Nickel Belt, Superior Boundary Zone, and Flin Flon–Lynn Lake–Leaf Rapids portions of the Trans-Hudson Orogen.

With the Western Superior NATMAP project in its last year of operation, related activities in 2002 concentrated on data compilation and synthesis. A cross-border compilation of the Uchi Belt in southeastern Manitoba and northwestern Ontario has been completed and will be released early in 2003. A similar compilation of greenstone belts in the Sachigo Domain is in progress. These maps integrate new data collected during the NATMAP project and will form the base maps for geochronological and mineral-deposit data served over the Internet.

Field projects partnered with Waterloo University and the University of Maryland provided critical new information for the Island Lake and Cross Lake greenstone belts, respectively.

The MGS and industry partners Inco Ltd., Falconbridge Ltd., and Hudson Bay Exploration and Development Co., Ltd. have been involved in a multi-year collaborative program designed to create a new compilation map of the Thompson Nickel Belt (TNB). During the summer of 2002, the four-year program of re-examining Bucko diamond-drill core was completed. All retrieved geological information will be incorporated into the final TNB compilation map.

Work to clarify the structure, mineral potential and extent of the TNB in north-central Manitoba involved the application of combined remapping, core relogging and isotopic dating techniques. This work is being conducted collaboratively with the University of Alberta, Inco Technical Services Ltd., Nuinsco Resources Ltd., Hudson Bay Exploration and Development Co. Ltd., and ProRock Exploration Inc.

In the Trans-Hudson Orogen, regional mapping focused on the central and north parts of Alberts Lake and the contiguous area between Alberts Lake and Lac Aimée, completing work that had been conducted in 1996, 1997 and 2002.

The Lynn Lake–Leaf Rapids TGI project entered its second and final year of field studies. The GSC component of the project is directed at upgrading the understanding of the lithological and tectonic framework the Trans-Hudson Orogen's northern flank, with a main objective of providing a regional geological context to mineral deposits. The first field season (in 2001) was concentrated on the northern half of the transect, from the central part of the Rusty Lake belt to the Chipewyan Batholith. During the 2002 field season, the transect was completed from the central Rusty Lake belt southwards to the northern flank of the Burntwood Group in the Kisseynew Domain.

Mineral Deposits Investigations

The Flin Flon TGI project wrapped up its last field season in 2002, with researchers from Laurentian University conducting 1:500-scale mapping, predominantly in the stratigraphic footwall of the 777 and Callinan deposits, and finalizing thesis project work. Staff from the Saskatchewan and Manitoba geological surveys collaborated on constructing a 1:10 000 cross-border compilation of the Flin Flon area that will place the more detailed studies in their regional context. Staff from the GSC conducted alteration studies in the Bear Lake Block and hanging wall of the Flin Flon–Callinan–777 deposits. These projects have produced important new insights into the setting of volcanogenic massive sulphide deposits in the west-central Flin Flon Belt.

Thematic mineral deposit studies were conducted in Snow Lake on base-metal projects, on the New Britannia gold mine, and in the Reed Lake area on volcanogenic massive sulphide deposits.

During the months of February and March 2002, MGS geologists and a GSC contractor undertook detailed mapping and sample collection underground at Ruttan, to document the geology of the deposit

and to collect samples that will be analyzed for their chemical contents and characteristic mineral assemblages. The results of these studies will assist in the development of a geoscientific database that will support mineral exploration in the Rusty Lake greenstone belt.

Drill cores from regional exploration programs in the Ruttan and Lynn Lake areas were examined in 2002 for evidence of stratiform sulphide mineralization. Cores containing cherts, barren sulphides and sulphidic sedimentary rocks were sampled, and will be analyzed to determine which ones could be spatially associated with base-metal VMS-type mineralization.

The MGS component of the Lynn Lake–Leaf Rapids TGI is aimed at an evaluation the precious- and base-metal mineral potential of the area. The MGS started a five-year multidisciplinary initiative at Lynn Lake in June 2000, and rolled this project into the TGI in 2001. The range of projects includes deposit-scale studies, structural mapping of mineralized shear zones, and geochronological studies that will provide a temporal context for the development of the greenstone belt and its mineral deposits.

A preliminary scoping study to assess the potential of Manitoba to host hydrothermal iron-oxide copper-gold (IOCG- or Olympic Dam-type) deposits was undertaken through researchers at Brandon University. At the outset of this project, there were no known examples of IOCG-type deposits in the province, nor has there been any recorded exploration for these deposits. Reconnaissance fieldwork confirms the presence of widespread alkali-iron and other related metasomatic effects associated with late intrusive bodies and large structural lineaments. However, the most important finding to date resulting from this initiative is the discovery of a large carbonatite complex, enriched in rare earth elements, between Lynn Lake and Leaf Rapids.

In 2002, the MGS initiated a multidisciplinary program of targeted 1:20 000-scale bedrock mapping, structural analysis, lithogeochemistry and U-Pb geochronology in the Rice Lake belt, located in the western portion of the Archean Uchi Subprovince in southeastern Manitoba. The objective of this program is to further refine the stratigraphic, structural and tectonic framework of the belt, with particular emphasis on gold metallogeny. Fieldwork in 2002 focused on detailed mapping and sampling of a roughly 12 km transect across the southeastern portion of the Rice Lake belt.

Platinum group element (PGE) studies in the Flin Flon Belt focused on mafic and ultramafic intrusive rocks within the Bear Lake Block, host to the McBratney Lake occurrence. The McBratney occurrence is an example of hydrothermal PGE-Au mineralization, hosted by the mafic volcanic rocks and characterized by extensive carbonate-chlorite-sulphide alteration. Investigations related to PGE's were also undertaken in the Bird River Sill, in southeastern Manitoba.

Geochemical Surveys

Manitoba's five-year 'Operation Superior' multimedia geochemical survey began in 1995 and completed its final year of data collection in 2000, but the program's success led to a continuation of the survey in the northern Knee Lake region in 2001. During Operation Superior, helicopter-supported, multimedia geochemical and indicator mineral surveys targeted greenstone belts throughout the northern Superior Province. Published results from 'Operation Superior' are credited with helping to spark the recent rush in diamond exploration in the region.

MGS continued work in support of diamond exploration by completing a two-year study of kimberlite indicator mineral distribution within the Quaternary stratigraphy of the Hudson Bay Lowland.

Phanerozoic Investigations

Activities of the MGS in south-central Manitoba ranged from an investigation of sulphide mineralization in Phanerozoic bedrock in the Interlake district, to dendrochronology in the Red River valley.

- The Capital Region Study: municipalities in and around the City of Winnipeg were mapped and assessed for crushed stone potential;
- Pemmican Island, Lake Winnipegosis: large float slabs of carbonate breccia containing sulphide mineralization and anomalous metal contents are being investigated in an area that overlies the sub-Phanerozoic extension of the Thompson Nickel Belt;

- Superior Boundary Zone: gravity and magnetic surveys were carried out over the southern extension of the zone to delineate the buried Thompson Nickel Belt and Camperville Gravity Low.
- Kimberlite indicator mineral investigations in the Porcupine Hills: follow-up investigations confirmed that the KIM are not from the Cretaceous Swan River Formation, but probably from younger strata or from multiple till sheets.

Surficial Geology

- Quaternary stratigraphy in the Hudson Bay Lowland: Field investigations continued in the area to understand the stratigraphy, including ice-flow history, till provenance and kimberlite indicator mineral distribution, in support of diamond exploration;
- Dendrochronology of the Red River Valley: baseline research has continued to understand the past hydroclimatic change in southern Manitoba and its impact on flood hazards and groundwater supply;
- 3D Mapping: 3D geological mapping of the Phanerozoic succession in southern Manitoba continues to support activities related to hydrocarbon, groundwater and industrial mineral development.

Industrial Minerals and Aggregate Investigations

Aggregate inventories were carried out in the Rural Municipalities of Ste. Anne and Turtle Mountain, in the Buffalo Point area, and on several crown-land parcels in southeastern Manitoba. Site inspection and aggregate sampling followed office compilation. Samples were field sieved and a representative portion of the fine fraction sent to Winnipeg for processing.

Land Use

The Manitoba Geological Survey conducts a number of activities related to sound land-use management: 1) provision of mineral-resource assessments in candidate sites under the Protected Areas Initiative; 2) identification of potential geological hazards (shoreline erosion, neotectonics, landslides); 3) review of land-use planning submissions; 4) examination of applications for surface use of crown land to ensure that access to mineral occurrences is not adversely affected; and 5) collaborative programs with Manitoba Conservation, Manitoba Hydro and the GSC to evaluate geological hazards and potential impacts on development.

The Prospectors and Developers Association of Canada introduced its 'Claim Tag Awards', which were presented during the annual Energy and Mines Ministers Conference in Winnipeg in September. Manitoba received a second place award "in recognition of the Manitoba government's ongoing facilitation of a technically advanced, methodical and transparent process of multistakeholder involvement in creating protected areas."

Geoscience Information Services Section

The Geoscience Information Services section is responsible for all data management, GIS, and CAD production and geological compilation in the MGS. Many of the projects underway are focused on bringing data to the Internet. The 'GIS Map Gallery' is the department's access point for information on mineral claims, assessment files, and geological databases. To access the database, clients use an Internet connection and a JAVA-enabled web browser such as Microsoft Internet Explorer™ or Netscape Navigator™. The web site has a user-friendly GIS interface, with tools that allow query and analysis of the most current data sets relevant to the mining and mineral exploration community.

Whenever possible, newly published reports and maps are placed on the Industry, Trade and Mines website in electronic form for free download. This free download feature, combined with extensive use of the GIS Map Gallery has enabled the MGS to substantially increase the amount of information on geoscience in Manitoba that is available quickly through the Internet. Recent enhancements include:

- Twenty-three new map projects brought to the Internet Map Server (21 Bedrock Geology Compilation Map Series 1:250 000 maps; NATMAP Shield Margin 1:100 000 compilation of the Flin Flon Belt; Southeast Manitoba Geoscience 1:250 000 compilation)
- Two point-data sets added to Internet Map Server (geochronology; mineral occurrences). These points are 'hotlinked' to descriptive documents and graphics that can be accessed by selecting the

point with the hotlink tool in the GIS Map Gallery.

- Four major new queryable databases added to website (Bibliography of Manitoba Geology; Mineral Resources Library Catalogue; Mineral Inventory Records; Newsclippings).

Client Services

Client Services provides communications, outreach and information production and dissemination services for the Mineral Resources Division to assist in the promotion of exploration and mining investment opportunities and increase public awareness of the benefits and opportunities of sustainable mineral development. Responsibilities included the web publishing of minerals-related content for the departmental web site as well as the production and distribution of MGS publications and promotional materials. These publications, as well as other minerals-related information resources, were disseminated through library services, publication sales and the Mineral Resources Division web site.

Client Services worked on major initiatives that now provide web access to a wealth of mineral-related information sources including the library catalogue, the Bibliography of Manitoba Geology, mineral inventory records, and a newsclippings database. A new On-line Publications Catalogue of MGS reports and maps available for purchase was developed to enhance search capabilities and simplify ordering. Client Services also worked on modifications to the catalogue that tie in to secure on-line credit card transaction capabilities scheduled for implementation in 2003.

Major outreach activities included mineral education initiatives such as the Manitoba Mining and Minerals Convention Schools Program and Provincial Mining Week. Hands-on, interactive activities were designed to complement the earth sciences curriculum and increase public awareness of minerals and mining to Manitobans.

Special projects included the publication of the Mining Task Force final report and recommendations and the planning and delivery of the 2002 Energy and Mines Ministers Conference. In addition, initial planning and development of the Introductory Prospector Training Course was undertaken in partnership with Sagkeeng First Nation.

Regional Offices

Staff in the Flin Flon and Thompson regional offices respond to a range of inquiries, including regional geology, potential of mineral properties and mineral identifications. They also provide service including recording new mineral claims, maintaining an up-to-date library of provincial claim and land-status maps, dealing with claim-status inquiries and accepting assessment-work submissions. In October–November 2002, a Mining Claims Inspector and a Mining Recorder augmented the staff of two geologists currently in the Flin Flon office.

MINERALS POLICY AND BUSINESS DEVELOPMENT

The Minerals Policy and Business Development section is responsible for monitoring industry and commodity information used in formulating of Manitoba's minerals policies, promoting mining and exploration investment opportunities organizing and staging of the annual Mines and Minerals Convention and administering the Mineral Exploration Assistance Program (MEAP) and Manitoba Prospectors Assistance Program (MPAP). The section helps facilitate the provision of community adjustment services to communities facing mine closure. To achieve these goals, the Minerals Policy and Business Development section works closely with the Manitoba Geological Survey and the Mines Branch of Industry Trade and Mines and all affected government departments.

On a global scale the mining industry has suffered over the past few years. Despite this, Manitoba continues to generate positive news. After gaining international recognition in the 1999 Fraser Institute survey of mining companies as 'one of the best places in the world to invest in exploration and mining', frontier exploration, particularly for platinum group metals and diamonds, has dramatically expanded. Platinum group metals are primarily used in the production of automotive catalytic converters that reduce tailpipe emissions and benefit the environment. The search for diamonds continues to generate exploration activity in northeast Manitoba.

In addition, Hudson Bay Mining and Smelting and Inco continue major investments to ensure their operations remain in Manitoba until at least 2016.

The section continued to build relationships with exploration and mining companies by promoting the advantages of investing in Manitoba. The benefits of these relationships are not always realized immediately. Mineral exploration and mine development are long-term endeavours with inherent risks. Over the years, however, all Manitobans have benefited from a healthy minerals sector that has grown to be the second largest primary resource industry in Manitoba, with a value of nearly \$1 billion annually.

The responsibilities of the Minerals Policy and Business Development section are implemented on a wide variety of fronts that include strategic business development including minerals policy, focussed client service, mining community development and administration of the minerals incentives programs.

Strategic Business Development - To effectively promote Manitoba's mineral investment advantages, it is important to understand industry trends and needs. Where possible, it is also necessary to contribute to the policies and initiatives that can impact mineral investment in a positive and sustainable way. Section representatives participated on various committees such as the Manitoba Mining Tax Committee, Intergovernmental Working Group subcommittees on exploration tax credits, resource tax reform and aboriginal participation in mining, and the Protected Areas Mineral Liaison Committee.

Competition for the exploration dollar has become international in scope and if we are to maintain a healthy and sustainable mining industry in the province it is critical to elevate the profile of Manitoba's mineral endowment and positive business environment. Section personnel conducted focussed marketing initiatives and attended major industry conferences to attract exploration dollars to the province. In addition, the Department worked collaboratively with local prospectors groups and Manitoba's mining communities to promote mineral and business opportunities in and around those communities through a Team Manitoba approach.

Conventions and Trade Shows - Investment opportunities were promoted through trade show displays and direct marketing efforts at the following major mining and exploration events:

- Prospectors and Developers Association of Canada (PDAC) - Toronto (8000 in attendance)
- Cordilleran Roundup - Vancouver (3,035 in attendance)
- San Francisco Gold Conference, San Francisco

Team Manitoba - a collaborative effort between Manitoba's mining communities, mineral property holders and staff from Industry, Trade and Mines, was also successful in promoting mineral investment. Working together, the Team, including mayors from Manitoba's mining communities, provided a unified front to potential investors at the Prospectors and Developers Association of Canada Conference and at the Manitoba Mining and Minerals Convention.

Client Service - Minerals Policy and Business Development, in co-operation with other Branches and government departments, provided advice and direction to help new mining and exploration companies adjust to operating in a new jurisdiction or existing companies embarking on new ventures. This client assistance was provided in both an interdepartmental team approach and through issue driven individual service.

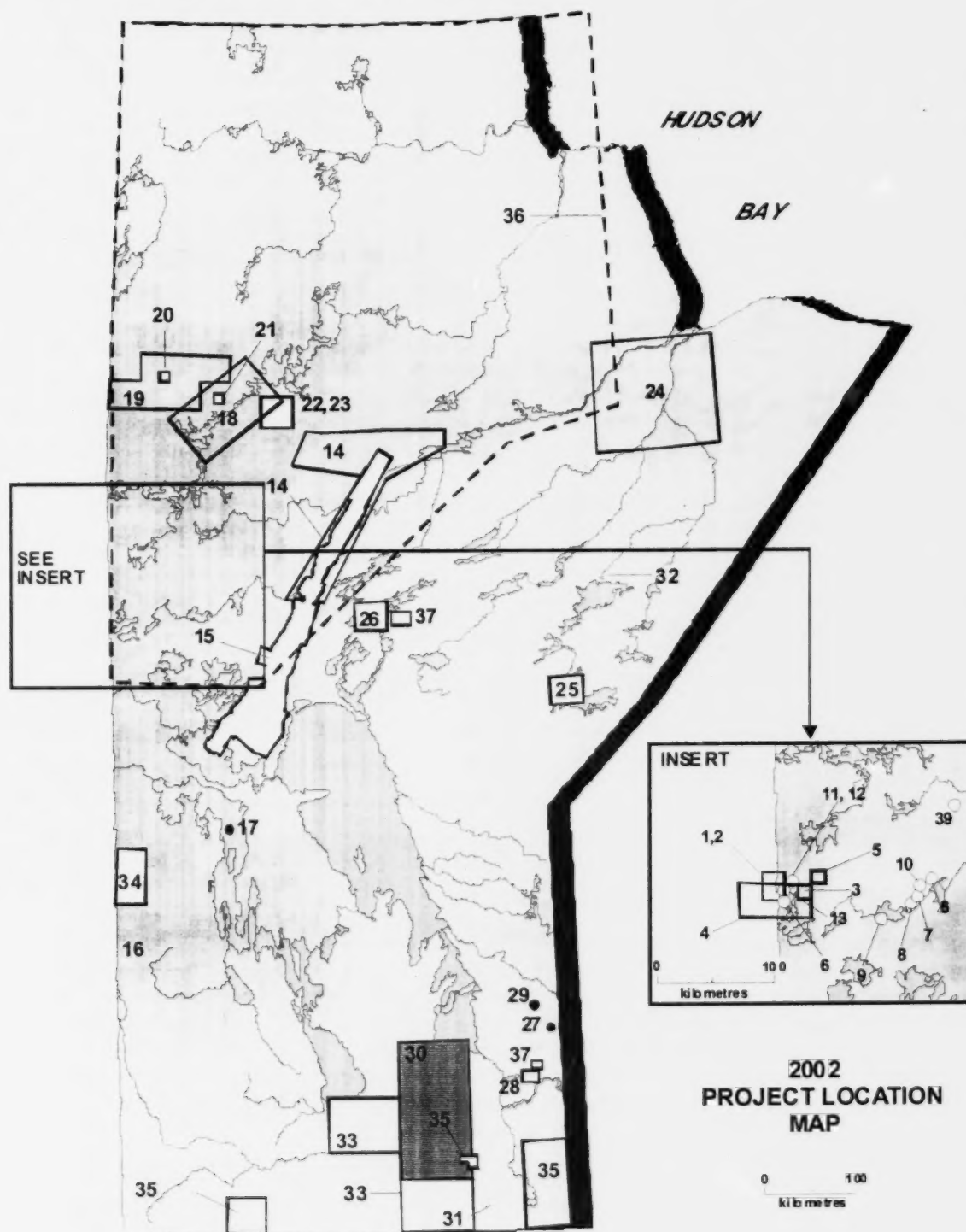
Community Development - activities undertaken by the section include participating in and co-ordinating various initiatives related to mine closure, including facilitating community adjustment and community economic development. The purpose of these activities is to help ameliorate the effects of mine closure on, and contribute to, the long-term viability of mining communities.

The department, with Intergovernmental Affairs and Labour took the lead in organizing an interdepartmental working group to deal with mine closure at Lynn Lake and Leaf Rapids. This core group grew into a government Steering Committee that is presently addressing both local and regional issues in the Lynn Lake – Leaf Rapids area. In addition to increased government geological programming in this region, the government is providing funding assistance from the Mining Community Reserve to help each community deal with the effects of mine closure and plan for future economic development.

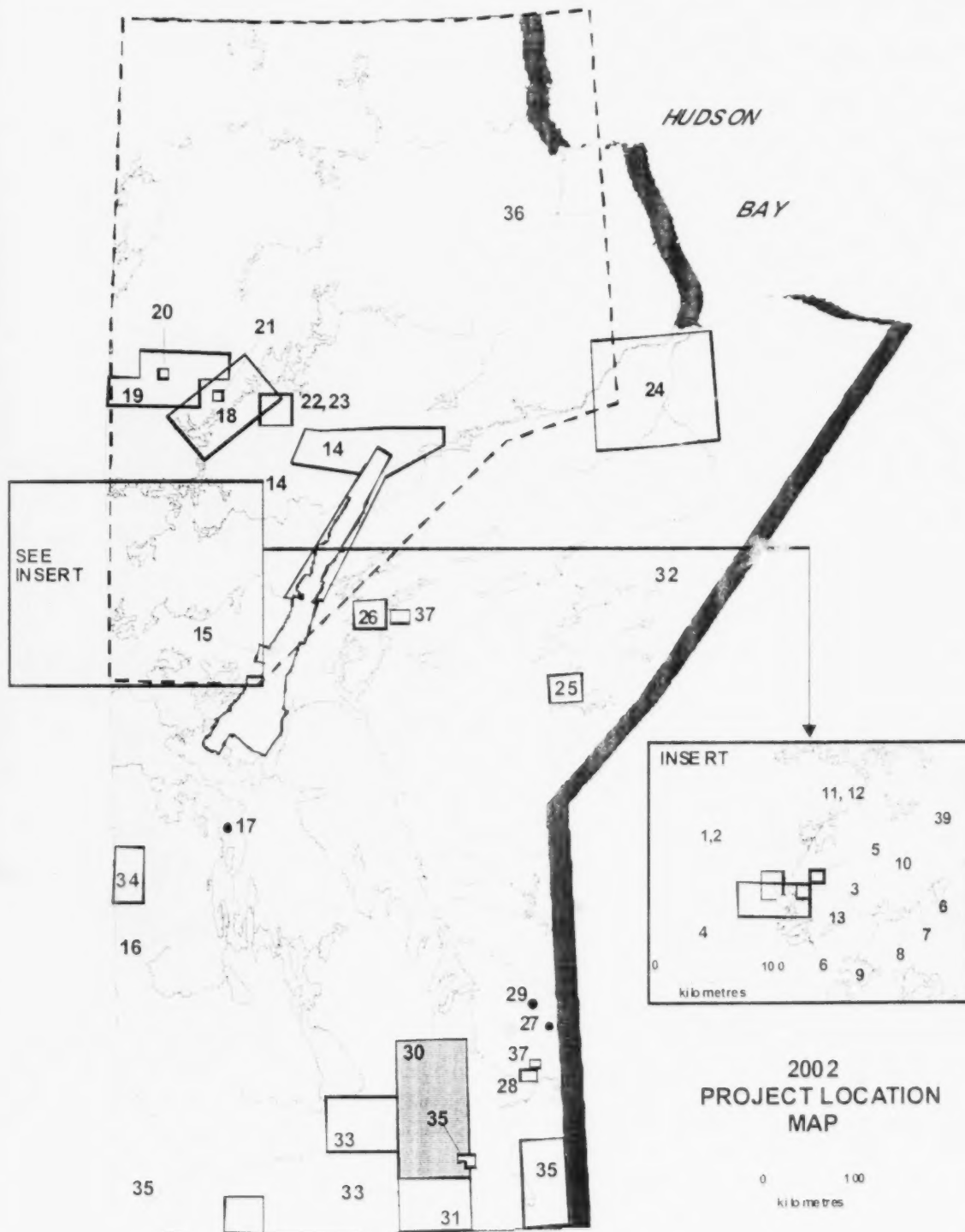
Manitoba Mining and Minerals Convention - the annual Manitoba Mining and Minerals Convention hosted over 700 industry stakeholders. The convention provided a venue for stakeholders to learn of the latest government geological information releases, exploration and mining services and business opportunities. The convention theme, "It's All About Results"-highlighted results of geoscientific programming, sustainable development and the importance of partnerships between government, industry, communities, and varied interest groups for the future benefit of the exploration and mining industry in Manitoba. . In 2002, the convention hosted a total of 65 booths and 31 presentations. In addition, 29 mineral property booths and 32 geological posters were featured. The Manitoba Mining and Minerals Convention 2003 will be held November 13, 14 and 15 at the Winnipeg Convention Centre.

Exploration Incentives - The continuation of mineral incentive programs such as the Mineral Exploration Assistance Program (MEAP), and the Manitoba Prospectors Assistance Program (MPAP) sends a positive message to industry that Manitoba is serious about attracting investment and supporting industry in times when market conditions make raising capital difficult. All programs were administered by the Minerals Policy and Business Development section (see page 45 for more detailed information).

LOCATION OF GEOSCIENCE PROJECTS 2002/2003



LOCATION OF GEOSCIENCE PROJECTS 2002/2003



MAP LEGEND

Location of Projects 2002/2003

- 1** Stratigraphy of Volcanogenic Massive Sulphide-hosting Volcanic and Volcaniclastic Rocks of the Flin Flon Formation, Flin Flon
- 2** Geology and Hydrothermal Alteration of the Hanging Wall Stratigraphy to the Flin Flon-777-Callinan Volcanogenic Massive Sulphide Horizon
- 3** Alteration of the Paleoproterozoic Felsic Volcanic Baker Patton Complex
- 4** Trace-Element Signatures of Flin Flon Volcanogenic Massive Sulphide (VMS) Deposits
- 5** Geology of the Alberts Lake Area
- 6** Rare Earth Element Geochemistry of Sulphide-bearing Strata in the Flin Flon-Snow Lake Area
- 7** Rare Earth Geochemistry of the Sneath Lake Mineral Occurrence
- 8** Vectoring Volcanogenic Massive Sulphide Mineralization at the Raindrop Zone, Snow Lake
- 9** Geochemistry of Drillcore Samples, Alders, Peat, Bog Iron and Till at Reed Lake
- 10** Geology of the New Britannia Mine, Snow Lake
- 11** Platinum Group Element Investigations in the Flin Flon Greenstone Belt: Regional Geology of the McBratney Lake PGE-Au Occurrence and Part of the Mikanagan Lake Sill
- 12** Platinum Group Element Investigations in the Flin Flon Greenstone Belt: Petrography and Mineralogy of the McBratney Lake PGE-Au Occurrence
- 13** Activities of Manitoba's Flin Flon Regional Office
- 14** Tectonostratigraphy, Sm-Nd Isotope and U-Pb Age Data of the Thompson Nickel Belt and Kisseynew North and East Margins
- 15** Thompson Nickel Belt Project
- 16** Interpretation of Thompson-type Geophysical Signatures (NTS 63B and 63F) and the Possible Cause of the Camperville Gravity Low
- 17** Phanerozoic Solid-sulphide Occurrence Containing Devonian Dolomite Breccia Clasts, Pemmican Island, Lake Winnipegosis
- 18** Churchill River-Southern Indian Lake Targeted Geoscience Initiative
- 19** Structural Analysis and Geochronological Studies in the Lynn Lake Greenstone Belt and its Gold-bearing Shear Zones
- 20** Structure and Stratigraphy in the Agassiz Metaltect, Lynn Lake Greenstone Belt
- 21** Discovery of a Carbonatite Complex at Eden Lake
- 22** Geology and Geochemistry of the Ruttan and Darrol Lake Deposits
- 23** Determining Residual Mineral Potential Using Europium Anomalies in the Ruttan and Lynn Lake Areas
- 24** Quaternary Stratigraphy and Ice-flow History along the Lower Nelson, Hayes, Gods and Pennycutaway Rivers and Implications for Diamond Exploration in Northeastern Manitoba
- 25** Tectonostratigraphic Panels and Early Deformation in the Island Lake Greenstone Belt
- 26** Deformation History of the Northwestern Cross Lake Greenstone Belt
- 27** Geology and Structure of the Garner Lake Area, Southeast Rice Lake Greenstone Belt
- 28** Platinum Group Element Investigations in the Peterson Block of the Bird River Sill
- 29** Phytoremediation of Mine Tailings and Bio-ore Production: Progress Report on Seed Germination, Survival and Metal Uptake of Seedlings Planted at Central Manitoba (Au) Minesite
- 30** Capital Region Study (Winnipeg and Surrounding Areas) Update and Stratigraphic Drilling 2002
- 31** Stratigraphic Database and Capital Region Study
- 32** Development of Methods for 3-D Geological Mapping of Southern Manitoba Phanerozoic Terrane
- 33** Contributions of Dendrochronology to Flood Hazard Analysis in the Red River Basin
- 34** Kimberlite Indicator Minerals From West-central Manitoba
- 35** Aggregate Resources in the Rural Municipalities of Ste. Anne and Turtle Mountain, and in the Buffalo Point Area
- 36** Scoping Study for Hydrothermal Iron-oxide Copper-gold Deposits (Olympic Dam-type), Manitoba
- 37** Industrial Mineral Potential of Mafic-ultramafic Intrusions in Manitoba
- 38** Manitoba mineral inventory
- 39** Manitoba's Precambrian Drill Core Libraries Program

MINERAL INDUSTRY SUPPORT PROGRAMS

The Mineral Industry Support Programs are delivered under Manitoba Geological Survey, however, the financial information is reported under Industry Development – Financial Services.

MINERAL EXPLORATION ASSISTANCE PROGRAM

The Mineral Exploration Assistance Program (MEAP) provides financial assistance to eligible companies or individuals who undertake mineral exploration in Manitoba. The program, established in the fall of 1995, aims to increase exploration and stimulate activities that may lead to the development of new mines. Companies/individuals may qualify for 25% - 35% of eligible exploration expenditures up to a maximum of \$400,000.00 per recipient, per fiscal year; depending on the area of exploration. A higher percentage of assistance is offered for projects undertaken in the Northern Superior region of the province, due to remoteness and limited infrastructure. In response to difficult times brought on by the downturn in the mineral industry, MEAP has extended the higher percentage of assistance on eligible expenditures to include the Lynn Lake/Leaf Rapids and Bissett areas. Two offerings are held per fiscal year.

Companies with approved projects under the April 2002 offering had until October 31, 2002 to complete their work, and approved projects under the November 2002 offering had until March 31, 2003 to complete their work. Fifty-one of the original 80 approved projects were completed.

Reviews, Audits and Inspections

To ensure accountability and integrity of the Program, the Department continued to conduct audits and inspections following guidelines developed with the Provincial Internal Audit office. In 2002/03 fiscal year, MEAP selected 10 completed projects from the 2001/02 fiscal year, totalling \$752,468.00 or 28% of assistance paid. All of the audits were conducted in January and February 2003 for the 2002/03 fiscal year, 13 site inspections for projects representing \$730,375.34 or 29% of the allocated assistance have been completed.

Program Highlights from October 1995 to March 31, 2003

- 108 companies have participated under MEAP representing 348 exploration projects.
- 72 of the 108 companies are considered new to Manitoba including seven joint venture partners. Of the 108 active companies, 17 are major exploration companies and 91 are junior companies (note: a company is considered a major exploration company if its market capitalization is greater than \$100 million).
- \$15.7million of assistance has been issued to 348 completed projects.
- \$71.2 million in exploration expenses have been reported.
- Reported exploration expenditures under the Program indicates every \$1 million in assistance paid generates \$4.5 million in exploration expenditures.

Mineral Exploration Assistance Program 2002/03 Status

Offering	Applications Received	Approved Applications	Proposed Exploration \$ in 000's	Assistance \$ Allocated in 000's	Projects Completed	Actual Exploration \$ in 000's	Assistance \$ Paid
02-05-29	41	39	10,301.7	1,100.0	23	4,589.2	978.0
02-11-01	43	41	15,193.3	1,400.0	28	11,117.8	1,451.5
TOTAL	84	80	25,495.0	2,500.0	51	15,707.1	2,429.5

Note: Projects approved under the November 2002 offering have until June 16, 2003 to file final reports and make application for final payment

Results of Assistance by General Region of Exploration for 2002/03

	Projects	Exploration \$ in 000's	Assistance \$ in 000's
Northern Superior	24 (30.0%)	\$7,386.6 (47.0%)	\$1,059.4 ((43.6%)
Flin Flon/Snow Lake	20 (25.0%)	\$ 4,315.4 (27.5%)	\$693.9 (28.6%)
Lynn Lake/Leaf Rapids	2 (2.5%)	\$61.3 (0.4%)	\$16.6 (0.7%)
Southeastern Manitoba	27 (33.8%)	\$ 1,926.6 (12.3%)	\$225.8 (9.3%)
South Central Manitoba	0 (0%)	\$0.0 (0%)	\$0.0 (0%)
Thompson Nickel Belt & Extension	7 (8.8%)	\$2,017.2 (12.8%)	\$433.8 (17.9%)
TOTAL	80	\$15,707.1	\$2,429.5

Manitoba Prospectors Assistance Program

The Manitoba Prospectors Assistance Program (MPAP) offers grants to prospectors conducting exploration on either their own Manitoba properties or open Crown mineral land. The Program is targeted at increasing mineral exploration in Manitoba to help replenish declining ore reserves. The Program is funded at \$125,000 per year and allows individual prospectors to qualify for up to 50% of their prospecting expenditures incurred up to \$7,500 per prospector per year. The program also provides 80% of the cost of one return charter flight or \$1,500.00 per year, whichever is less, for projects undertaken in more remote areas of the Province. Maximum assistance of \$9,000.00 is available per applicant per year.

In 2002/03 the program received 37 applications for grants; 26 prospecting projects were approved under the Program with 24 completed as of March 31, 2003. The total amount of Program funds dispersed for 2002/03 was \$122,142.42.

MANITOBA POTASH PROJECT

As partners in the Manitoba Potash Corporation, Potamine Potash Mining of Canada Inc. and the Province of Manitoba hold the development rights to known reserves in the Russell-Binscarth area of southwest Manitoba. The Manitoba Potash Project has sufficient mineable reserves to sustain a world class potash mining and processing operation for over 25 years. Potamine is controlled by Entreprise Minière et Chimique (EMC) of France. The EMC Group is one of the world's leading potash trading companies with extensive experience in the production and marketing of potash.

During the fiscal year, the department continued its efforts to market Manitoba's 49% interest in the Manitoba Potash Project by seeking out potential investors.

ACID RAIN ABATEMENT PROGRAM - FLIN FLON

This program provides financial assistance to Hudson Bay Mining and Smelting Co., Limited for the construction of environmental improvements to the metallurgical plant at Flin Flon. Modernization of the plant resulted in containment of sulphur dioxide emissions within prescribed limits.

The department continued to monitor exploration commitments by HBM&S and administered the ancillary loan agreement between Manitoba and Saskatchewan.

10-3(a) Manitoba Geological Survey

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	3,543.4	65.10	3,536.6	6.8	
Total Other Expenditures	1,641.4		1,737.0	(95.6)	
Total Expenditures	5,184.8	65.10	5,273.6	(88.8)	

Note: Costs related to the Mineral Exploration Assistance Program (MEAP), Manitoba Prospectors Assistance Program (MPAP), Manitoba Potash Project and the Acid Rain Abatement Program are reflected on page 21.

MINES

OBJECTIVES

The Mines Branch administers legislation governing the disposition of mineral rights (permits, claims and leases), exploration, development, and production of the province's non-fuel mineral resources and rehabilitation of mines and quarries. The branch comprises three sections; Mining Recording, Mining Engineering and Inspection, and Assessment.

ACTIVITIES/RESULTS

Other activities performed by Mines Branch staff included the continuing compilation of an inventory of the province's aggregate resources and administration of provincial land-use and resource management policies that deal with the sustainability of Manitoba's resources. The Branch continued its representation on the Science and Technology Committee (sub-committee of IGWG). Branch staff participated in a number of technical seminars and conferences.

In 2002/2003 the branch entered the eleventh year of a substantial program for the rehabilitation of aggregate pits and quarries throughout the province. Under the orphan mine site program work was completed on items related to safety issues at Sherridon and the contractor was able to complete 80% of the work at Elk Island and Gods Lake. In accordance with the Mine Closure Regulation, the province's operating mines submitted closure plans and proposals for financial security.

The Mines and Minerals Act, Bill 19 - Amendment was proclaimed on November 1, 2002. Amendments to Mineral Disposition and Lease Regulation, Quarry Minerals Regulation and the Drilling Regulation were registered on November 1, 2002.

Mining Recording Section

Mining Recording offices are located in Winnipeg and Flin Flon with a regional geological office located in Thompson providing limited mining recording services.

On September 30, 2002, The Pas Recording Office was closed. The active claim files were transferred to the Winnipeg Office and the old claim files were sent to Flin Flon in January 2003. Claims are being recorded in both the Winnipeg and Flin Flon offices but the processing of all activities on the claims is being done in the Winnipeg Office.

Mining Recording Offices maintain up-to-date records of mineral dispositions and leases and all legal transactions that relate to mineral dispositions and leases as required by legislation. The general public can access the computer data base on mining claims and permits through terminals located in each of the offices.

The Mining Recording Section processes applications for mineral dispositions and leases, monitors and inspects the activities of disposition and lease holders for compliance with requirements of The Mines and Minerals Act and Regulations, and collects fees, rentals, royalties, rehabilitation levies, taxes and cash security deposits payable under the Regulations. The total revenue collected by the Section during the fiscal year 2002/2003 was \$3,113,400 and the rehabilitation levy collected, including interest, on the removal of aggregate material was \$1,552,700 for the same period.

During the calendar year 2002, 784 mining claims and 30 exploration permits and mineral exploration licenses were recorded covering a total of 935,547 hectares. Recording Office staff in addition to the collection of rental, royalty fees and rehabilitation levy also renewed 425 quarry leases for a further ten year term. Concurrently, 27 quarry mineral leases, 751 casual quarry permits and 776 registration certificates for private pits and quarries were also issued during the same period. Details of the types of mineral dispositions and leases issued and in good standing in 2002 are shown on the following page.

MINERAL DISPOSITIONS ISSUED EACH CALENDAR YEAR 1999 - 2002

	1999		2000		2001		2002	
	No.	Hectares	No.	Hectares	No.	Hectares	No.	Hectares
Mining								
Mining Claims	1,024	219,077	747	151,445	522	102,684	784	167,978
Mining Exploration Permits	7	232,413	40	1,400,714	45	1,586,161	21	438,210
Special Exploration Permits	8	350,060	5	299,180	9	363,759	2	58,004
Mineral Exploration Licenses	-	-	-	-	-	-	7	271,355
Quarrying								
Leases	54	2,560	58	4,108	69	899	27	830
Exploration Permits	-	-	1	126	2	1,093	2	79
Casual Quarry Permits	783	-	782	-	796	-	751	-
Peat								
Leases	12	1,837	17	2,773	-	-	-	-
Private Aggregate Registration Certificates	841	-	842	-	803	-	776	-

MINERAL DISPOSITIONS IN GOOD STANDING AT CALENDAR YEAR END 1999-2002

	1999		2000		2001		2002	
	No.	Hectares	No.	Hectares	No.	Hectares	No.	Hectares
Mining								
Mining Claims	6,111	885,784	5,253	742,749	5,243	746,767	5,032	738,730
Order-In-Council Leases	3,653	120,601	3,653	120,562	3,653	120,562	3,653	120,562
Mineral Exploration Licenses	10	295,933	17	581,806	41	1,468,098	40	1,544,471
Special Permits	13	608,437	21	1,142,526	24	1,300,013	4	181,032
Mineral leases	295	32,687	268	31,705	268	31,705	263	36,424
Potash								
Leases	1	5,787	1	5,787	1	5,787	1	5,787
Quarrying								
Leases	729	35,032	769	38,401	821	38,658	822	38,855
Exploration Permits	-	-	1	126	3	1,199	5	1,212
Peat								
Leases	128	16,601	142	22,039	140	21,450	139	21,381
Exploration Permits	-	-	-	-	-	-	-	-
TOTAL	10,940	2,000,862	10,125	2,685,701	10,194	3,734,239	9,959	2,688,454

Mining Engineering and Inspection

The primary purpose of the Mining Engineering and Inspection Section is to facilitate and encourage sound exploration, mining and rehabilitation practices in the province consistent with the principles of sustainable development and in compliance with The Mines and Minerals Act. It also provides land management and advisory services in support of provincial legislative and regulatory land use and resource management initiatives. G.I.S. services are provided to industry to assist in the resolution of environmental and land use conflicts, dissemination of non-confidential assessment reports, land use and tenure information.

Staff monitor mining activity in Manitoba to ensure compliance with requirements under The Mines and Minerals Act including licenses, registrations, permits, leases, closure plan submissions, royalty/levy charges on production, and environmental operation standards. In 2002/2003 inspection staff conducted field inspections to ensure mining compliance at quarry lease and casual quarry permit locations, private pit/quarry operations and site rehabilitation projects.

On July 18, 2000, Treasury Board approved-in-principle a four-year \$1.0 million Broad Allocation (\$250,000.00 annually) from the Sustainable Development Innovations Fund to the Department of Industry, Trade and Mines, Mines Branch, for an Orphan Mine Site Program to rehabilitate abandoned/orphan mine sites in Manitoba. The four-year work plan includes rehabilitation at Sherridon, Gods Lake, Baker Patton, Snow Lake and East Lynn Lake.

The total expenditure for Fiscal Year (FY) 2002/03 was \$250 K and the details are given below in Table I.

Table I

Project Location	Total SDIF Approval (\$)(‘000)	Expenditure for 2000/01/02 (\$)(‘000)	Expenditure for 2002/03 (\$)(‘000)	Total Expenditure up to March 31, 2003 (\$)(‘000)
Sherridon	100	74.8	16.1	90.9
Gods Lake	250	219.4	3.2	222.6
Snow Lake	20	29.4	25.0	54.4
Lynn Lake	500	26.7	11.8	38.5
Baker Patton	150	nil	193.9	193.9
Total	1.0 M	350.3	250.0	600.3

Sherridon

Perimeter fencing to accommodate all hazardous areas was installed during the summer of 2002, complete with appropriate warning signs. This work completes the public safety items identified at project submission.

Conservation has undertaken a "Site Specific Human Health & Environmental Risk Assessment Study" for Sherridon. It is anticipated that this study will be completed by March 2004 for an estimated cost of \$300K.

Gods Lake

No. 1 and Pumphouse Raise - The outstanding work of re-leveling of the shaft caps due to settlement, tightening of rock bolts and grouting of the lifting hooks indentations were completed during winter of 2003.

Jowsey Island - Shaft cap installed and the boiler removed from the site. Additional scope definition for completion of work on this property is being defined.

Lynn Lake

An evaluation of the acid generation potential of the road base fill used in the construction of the north end of Burnt Timber mine access road, located southeast of the Town of Lynn Lake was undertaken. A site investigation was carried out along a 3 km stretch of the Burnt Timber Road located north of PR #397. Samples were retrieved from the road bed material and Acid Base Accounting (ABA) tests were performed for evaluating the potential generation of acid rock drainage (ARD) from the backfill.

Based on the laboratory tests results and the visual inspections, it can be concluded that the road bed material used in the construction of this stretch of road section is not acid generating, with the possible exception of a 700 m section at its north end, where sulphide-bearing material may have been mixed up and used with sulphide-free borrow material, in an unknown proportion.

Conservation undertook as "Site Specific Human Health & Environmental Risk Assessment Study" for Lynn Lake. The study included characterization of contaminants in the East Tailings Management Area (ETMA), local soil, groundwater surface water and sediment in the area around the ETMA within the community and a comprehensive air monitoring program in the community to characterize exposure to airborne contaminants arising from ETMA dust. The final study report concluded that although metals are present in the town, the levels are not high enough to be a health concern for people who spend a lifetime in Lynn Lake and impacts to the environment from the ETMA are local. These impacts do not extend into the regional area and do not significantly affect regional population of fish, plants and mammals. The total cost of the study was \$375 K.

Snow Lake

In March 2002, four sample holes were drilled into the Arsenic Residue Pile to obtain 5-foot lengths of HQ3 core (2.5" wide). The core is currently stored in a Kenmore heavy-duty deep freezer at the University of Manitoba to prevent thawing.

In October 2002, the core was split in half using a Trademaster Workshop Series 10" table saw equipped with a diamond tipped blade. The samples were logged each length of core in detail. One half of each length of core remains intact in storage at the University of Manitoba.

Samples were taken from drill hole 2 (SL2) at approximately 5-foot intervals and analyzed. Geochemical and mineralogical composition of each sample is ongoing. All geochemical analysis are being carried out at the University of Manitoba. Several samples are being analyzed for bulk geochemical content using an Inductively Coupled Plasma Optical Emission Spectrometer (ICP-OES). Polished thin sections are being prepared at Vancouver Petrographics.

The final report of the study will be published in summer 2004.

Baker Patton

A contract was awarded to Acres Manitoba Ltd. to review all the historical existing data and to develop a rehabilitation scope of work. The draft technical specification, drawing and scope of work was reviewed by the TAC and the final scope was approved in December 2002.

A Request for Quotation was invited and the actual rehabilitation work for \$175 K was awarded to Strlikiwski Contracting Ltd. from Dauphin in March 2003. The scope of work is to clean the creek bed, haul all the mine waste rock (3000 M³) to a licensed Flin Flon tailings disposal area and to revegetate the old mine site. The work is progressing well and envisaged to be completed in 2003/04.

General

Mines Branch staff participated on various interdepartmental technical review committees. Staff took part in judging the Provincial Mine Rescue Competition in Snow Lake.

Several mine closure plans for operating metal mines and for industrial mineral quarries were reviewed by Mines Branch staff and the closure plans were approved by the Director of Mines.

Ruttan Mine's mine closure plan was received in February 2002. The plan was reviewed by the regulatory authorities and was approved by the Province. Mines Branch staff are working closely with HBMS environmental group, local First Nations, local council and the Steelworkers Union in implementing HBMS's mine closure commitments.

A program was initiated by Mines Branch to inspect all the known approximately 250 inactive/abandoned mines to establish Manitoba's liability. A submission for funding and resources to carryout the program will be submitted in 2003/04 fiscal year.

The platt sheet digitization map project consists of a series of maps used by the industrial minerals sector and Mines Branch staff to maintain mineral disposition records and land use information. This project consists of approximately 1100 map sheets. Currently 525 new sheets have been created. These new maps replace outdated sheets which required manual entries for updating land use constraints. The new digital product enables the use of current GIS technology to update land use information required by clients and staff to process various types of mineral dispositions.

The Mines and Minerals Act, proclaimed in 1992, introduced a program to address the rehabilitation of pits and aggregate quarries in the province. Aggregate producers pay an annual levy based on the tonnes that they've produced and this money is set aside in a fund to be used for pit and quarry rehabilitation. On the basis of aggregate production from private and Crown lands in 2002/2003 approximately \$1.4 million was contributed to this Quarry Rehabilitation Fund, with over 122 rehabilitation projects being completed at a cost of \$1.4 million. The total number of projects completed since 1992 comprise approximately 5300 hectares of land rehabilitated. All the work has been undertaken through private equipment rental agreements or tendered contracts with private operators, administered and monitored by branch inspection staff.

In response to a large uptake in municipal land use planning programs initiated under the authority of the Planning Act, section staff provided significant technical support to the municipal land planning processes, and newly created planning districts. Technical reports and mineral resource mapping documenting high quality mineral resources, mineral dispositions and related land tenure information was provided to municipal planning districts. These technical products are used to create land management policy and zoning by-laws. A program to update all land use maps for Agro-Manitoba has been initiated. A total of 31 technical reviews of Development Plans and Zoning by-laws including submissions for mineral resource management were made in support of land planning activities required under The Planning Act.

Staff participated in and provided policy and technical advice to several Municipal Boards and conditional use hearings to assist these regulatory bodies on land use and planning matters. A presentation concerning mineral resource management in the Capital Region was made for the Regional Planning Advisory Committee as part of our technical support to large area planning. A total of 1,064 land use proposals, including subdivision applications, Crown land sales, zoning memoranda and Crown surface clearances (leases, permits and other encumbrances) were assessed for land use and tenure conflicts. Technical comments were prepared for all applications in support of the various regulatory land management processes.

Technical support was also provided to Crown land planning through activities of the Crown Land Classification Committee. Technical advice regarding resource management, classification and use of Crown land, policy development and suitability of land designations is provided. Highlights of the year include:

- considered the proposed expansion of the Pinawa Dam and Rivers Provincial Parks, and the proposed establishment of the Criddle Vane Provincial Park;
- reviewed 54 agricultural Crown land sale applications, 18 agricultural Crown land sale appeals, one Crown land exchange and 2 non-agricultural Crown land sale applications;
- approved of about 310 operational Crown land code changes and created a digital database to

manage and maintain an inventory code of changes;

- undertook the review of and revision of the chapters 1-8 of its policy and procedures manual; and
- considered a number of policy or land management issues such as: aspen encroachment, procedures for closing roads and trails on Crown land, Prairie Farm Rehabilitation Areas (PFRA) Green Cover Program, protection of riparian areas, sale of surplus floodway and diversion Crown lands, and a policy/procedure to address treaty and Aboriginal rights when considering Crown land sale applications.

Progress towards meeting provincial obligations for Treaty Land Entitlement, Northern Flood Agreement and the Grand Rapids Forebay Agreement in accordance with these legal agreements was made. Seventy-eight land selections representing approximately 123,007 hectares were assessed and approved. Land selections containing valid mineral dispositions in good standing were documented and technical support to the related processes was provided. Staff participated in resolving conflicts associated with land selections and also provided procedural and policy advice. New procedures for land selections for the Grand Rapids Forebay Agreement are being developed.

Staff participated in the implementation of the Network of Protected Areas Action Plan and helped identify and assess candidate sites. Technical support to the stakeholder assessment/consultation process was provided by land title research and interpretation, documenting mineral tenure and preparing the legal instruments for withdrawal of Crown mining rights. Special attention was given to Wildlife Management Areas, northern areas of special interest and Crown land in Agro-Manitoba.

Staff participated in policy development and implementation for the provincial sustainable development initiative. Major activities included the Code of Practice, Financial Management Guidelines, sustainability indicators and reporting, mineral strategy, East Side of Lake Winnipeg and Shoal Lake Watershed management plan and provided technical support to the COSDI process. The principles and practices of sustainable development were incorporated into several land management plans. Staff also participated in the intergovernmental process for the Shoal Lake Watershed Management Plan.

Secretarial support to the Surface Rights Board was added to the Section in April 2002.

The Website for sustainable development and land access in the mining sector was updated for the departmental web page.

Assessment Section

The Section receives and evaluates reports of required work submitted under The Mines and Minerals Act to ensure compliance with legislation and acceptable industry standards. At first confidential, these reports are eventually transferred to the non-confidential assessment library open to the public. These reports are indexed, microfilmed and scanned. Clients can view reports in our office or on the website. Copies can be obtained by printing them directly from the website or ordering them from the Assessment Library. These reports are available on paper, microfilm or compact disc.

The Section also provides advice to the Review Panel and Administrator of the Mineral Exploration Assistance Program on the merits and validity of the projects, acceptance of final reports and recommendations on payment or non-payment of grants.

The Section monitors mining exploration activities in the province and contributes to the preparation of reports on industry activity. It also acts as liaison between Natural Resources Canada and the mining industry for the gathering of statistics on exploration and production.

At the request of the Manitoba Securities Commission, the section reviews technical submissions on mining projects to ensure that they conform with the reporting standards as set out in National Instrument 43-101 - Standards Of Disclosure For Mineral Projects. One mining project was reviewed during the past year.

	1999	2000	2001	2002
Reports of work added to assessment library	114	139	131	107
Reports transferred to non-confidential status	114	106	107	215
PRIVATE SECTOR:				
Website Visits	-	-	1542	3082
Visits	139	191	166	188
Reports examined	746	978	613	809
Reports duplicated for clients	241	372	357	316
Microfiche duplicated for clients	555	857	-	-
CD'S duplicated for clients	29	108	3	22
DEPARTMENTAL STAFF:				
Reports examined	190	556	276	250
Reports duplicated for staff	10	7	4	16
Microfiche duplicated for Winnipeg and Northern Offices	2144	996	3090	3830

10-3(b) Mines

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries and Employee Benefits	1,277.6	28.00	1,200.2	77.4	
Total Other Expenditures	574.0		412.2	161.8	1
Total Expenditures	1,851.6	28.00	1,612.4	239.2	

1. The over-expenditure is related to the closure of The Pas Recording Office.

PETROLEUM

OBJECTIVE

To provide for and encourage the safe and efficient development of Manitoba's oil and gas resources in accordance with the principles of sustainable development.

ACTIVITIES/RESULTS

Manitoba's oil and gas sector, though small by national or international standards, is a significant component of the provincial economy particularly in the southwestern part of the Province.

In 2002, Manitoba produced 650 750 cubic metres of oil having a total value of over \$150 Million. This is equivalent to about 25 percent of the province's refined petroleum products needs. Since there are no refineries in Manitoba all of the Province's production is exported through the Enbridge pipeline system to refiners in Ontario and the US.

In 2002, the petroleum industry spent \$96.8 million in Manitoba to explore for and develop new oil pools, and to operate over 2,000 wells in the province.

It is estimated that the petroleum industry in Manitoba provides direct employment for approximately 300 Manitobans and indirect employment for at least that many people.

In 2002/03, royalties, production taxes and revenue from the leasing of Crown owned oil and gas rights added \$6.7 million to the Provincial treasury. Significant revenues were also collected by the province through income taxes, retail sales tax, corporation capital tax, payroll tax and fuel taxes. In addition, the industry paid about \$2.1 million in property taxes to the various municipalities where oil wells and facilities are located.

The Branch administers The Oil and Gas Act and related regulations governing the exploration, development, production, transportation and storage of crude oil and natural gas. The Branch is also responsible for The Oil and Gas Production Tax Act. Additionally, officers and inspectors of the Branch are designated as Workplace Safety and Health Officers under The Workplace Safety and Health Act with respect to oilfield operations. The inspectors also act as industry's first point of contact with regard to oil field related environmental issues.

Amendments to the Drilling and Production Regulation under The Oil and Gas Act, introduced in 2001 to provide more rigorous submission requirements for applications to build new batteries and continue operation of existing batteries, were fully implemented. The regulation specifically requires that all oil and gas facilities be operated in a manner so as to comply with Provincial air quality standards and objectives. The amendment also provides a more structured framework to protect worker safety at oil and gas facilities and to ensure that flare systems are properly designed and operated.

The Branch abandoned 13 wells and associated oil and gas facilities seized from two different operators. The well and facility abandonment costs totalled \$366,699. These costs were partially offset by \$138,353 from company performance deposits and revenues realized through the sale of oil recovered from the wells and the sale of salvaged equipment. The remainder of the abandonment costs were paid out of the Abandonment Fund Reserve Account.

The Branch completed conversion of the Well Location Map No. 7 and the Pool Location Map into a geographic information system (GIS) format.

The Branch participated in the following promotional outreach activities during 2002/03

1. The 2002 Manitoba Oil and Industrial Show, May 13-15, 2002 in Virden Manitoba. The Branch was the principal organizer and host for the show at which 44 oilfield and industrial service companies exhibited their products. An educational display regarding Manitoba's oil and gas industry attracted students from a number of schools in southwestern Manitoba.
2. The 10th International Williston Basin Horizontal Well and Petroleum Conference, May 5-7, 2002 in Bismarck, North Dakota. The Branch presented an update of Manitoba oil and gas exploration and development activity at this forum.
3. The Canadian Association of Petroleum Geologists Jubilee Convention, June 3-7, 2002 in Calgary, Alberta. Branch staff presented a paper entitled, "New and Known Petroleum Prospects and Development Opportunities in Southwestern Manitoba" at the convention.
4. Western Canada Sedimentary Basin Committee meeting in June 2002, Calgary, Alberta. The committee met to discuss potential areas of collaboration between geologists representing the four western provinces and the Geological Survey of Canada.

Administration and Geology Section

Administration

Administration is responsible for collection of petroleum revenues and administration of Crown owned oil and gas rights. The section collects annual lease rentals, Crown oil royalties and freehold oil taxes, conducts sales of Crown oil and gas leases and exploration reservations and processes lease renewals and extensions. The section is responsible for administering provisions of the Disposition Regulation, the Crown Royalty and Incentives Regulation, the Oil and Gas Lease Agents Regulation and portions of the Drilling and Production Regulation under The Oil and Gas Act. The section also administers The Oil and Gas Production Tax Act and Regulation.

Crown Oil and Gas Rights - Four Crown oil and gas lease sales were held in 2002/03. Forty leases covering 3 584 hectares were sold for a total of \$349,149. Revenue collected from Crown oil and gas lease sales was down slightly from the 2001/02 revenue of \$351,707.

Since 1979, the province has collected \$32,946,639 from the disposition of Crown oil and gas rights. As of December 31, 2002, 47 291 hectares of Crown oil and gas rights were under disposition. Crown leases accounted for 74% of this total with exploration reservations accounting for the remaining 26%. Compared to 2001, the total area under disposition decreased by 51%.

The section processed 92 lease renewals, 446 lease surrenders, 157 transfers and 102 lease revisions reflecting company amalgamations or name changes. It also issued 43 new leases.

Data Collection - The section collects monthly oil production data and data on the disposal and injection of salt water for all active wells in the province. As of December 31, 2002, there were 2,032 non-abandoned wells in Manitoba. Digital production and injection histories are available for all wells.

During 2002/03, the section collected \$6.7 million from the petroleum industry. This revenue comprised \$3.2 million in Crown oil royalties, \$2.9 million in freehold oil taxes and \$0.6 million from administration of Crown oil and gas rights. The revenue collected was up from the \$6.4 million collected in 2001/02.

Manitoba Drilling Incentive Program, (1992-2004) - The Manitoba Drilling Incentive Program provides licensees of wells drilled after January 1, 1992 and before January 1, 2004 a holiday oil volume of production that is exempt from Crown royalties or freehold production taxes; the holiday volume earned is a function of oil price and location of the new well with respect to other wells.

Enhancements to the program, effective April 1, 2001 provide for increased holiday oil volumes for drilling and production of deep wells and changes to encourage reworking of marginal wells and implementation or expansion of enhanced oil recovery projects.

Holiday oil volumes of up to 20 000 cubic metres can be earned by a new well.

In the tenth year of this program, 93 wells earned an average holiday oil volume of 4 926.4 cubic metres. A total of 210 wells were producing holiday oil under the program in December 2002. In 2002, 23 wells completed production of their holiday oil volume.

Any horizontal well drilled prior to January 1, 2004 receives a holiday oil volume of 10,000 cubic metres. Twenty-seven horizontal wells were drilled in 2002.

Effective November 11, 1995, a marginal well where a workover is completed prior to January 1, 2004 earns a 500 cubic metre holiday oil volume. A marginal well is defined as a well that, over the previous 12 months, has been shut-in or has an average production rate of less than 1 cubic metre per operating day. Major workovers include the re-entry of abandoned wells, deepening or recompletion of existing wells from one pool to another and the repair of the casing in a well. Twelve wells were producing under the program in December 2002.

A booklet entitled *Manitoba Petroleum Fiscal Regime* providing detailed information on the drilling incentive program, provincial Crown royalties and provincial freehold oil production taxes is available from the Branch.

Performance Deposits and the Abandonment Fund Reserve Account – The section administers trust accounts for performance deposits and the Abandonment Fund Reserve Account. Applicants for licences or permits issued under The Oil and Gas Act are required to submit a performance deposit to ensure operations comply with the Act and regulations. These deposits are held in trust until required rehabilitation work has been completed. Approximately \$1.2 million in cash, term deposits and letters of credit are administered.

The Abandonment Fund Reserve Account is established under The Oil and Gas Act to ensure sites damaged by oil and gas operations are properly rehabilitated. The fund is generated through levies on licences and permits issued under the Act, inactive well levies and interest. A summary report on the fund is included on page 58.

Geology

Geology prepares reports on Manitoba's petroleum geology and hydrocarbon potential to encourage and assist in the exploration and development of the province's oil and gas resources. A system for the designation of field and pool boundaries is maintained. As of December 31, 2002, Manitoba had 13 designated oil fields and 159 designated oil pools. Field and pool codes for 105 new wells were assigned during 2002/03.

In addition, Geology provides consultation and assistance to the public and the petroleum industry.

Accomplishments in 2002/03 include:

- presented a paper entitled "New and Known Petroleum Prospects and Development Opportunities in Southwestern Manitoba" at the Canadian Society of Petroleum Geologists, Jubilee Convention, Calgary, Alberta. The paper is published in the Convention proceedings.
- published "Geological Evaluation of the Bakken and Three Forks Formations, Daly Field Area" as a field evaluation study.
- continued enhancement of geological formation tops data base as part of the Manitoba Oil and Gas Well Information System. Formation tops in approximately 1500 wells were evaluated in 2002/03.

Engineering and Inspection Section

Engineering

Under the authority of the Drilling and Production Regulation and the Geophysical Regulation, Engineering processes drilling licences, geophysical licences and applications to recomplete, suspend, or abandon wells. It also issues permits for all oil and gas facilities. In 2002/03, a total of 102 drilling licences and 3 geophysical licences were issued. In addition, 56 technical well operations applications were processed.

Technical studies are undertaken of oil and gas reserves and enhanced recovery potential. As of December 31, 2002, total and remaining proved developed oil reserves in Manitoba were 37.4 10⁶m³ and 2.51 10⁶m³, respectively. Reserve estimates do not include reserve additions for 2000-2002. Two new or expanded enhanced oil recovery (EOR) projects were approved in 2002/03. These projects qualify for third tier EOR production status and the new injection well incentive program.

Information and advice are provided to the petroleum industry and the public at the Winnipeg, Virden and Waskada offices.

Inspection

Inspection enforces regulations under The Oil and Gas Act related to geophysical, drilling, production, and pipeline operations. Specifically, the inspectors license and inspect field facilities, investigate complaints, witness specific operations, and interpret and communicate departmental or regulatory requirements to industry personnel. Inspectors are also responsible for carrying out safety and health inspections of petroleum industry operations under The Workplace Safety and Health Act. District offices are located in Virden and Waskada.

Each of the more than 2,000 wells and oil and gas facilities in the province were inspected at least once during the year. A total of 370 non-compliance orders were issued in 2002/03 for wells and oil and gas facilities not in compliance with the Act. A total of 126 battery and flowline applications were processed and 121 excavation permits issued. Inspectors visit all abandoned wellsites to ensure that the abandonment and clean up have been conducted properly and that plant growth has been established. During 2002/03, 57 Certificates of Abandonment were issued, allowing for the release of wells from performance deposit requirements. The unit also manages a program of environmental protection involving the reclamation of all oil or salt water spill sites. During 2002/03, 32 spills were inspected. Inspection participates on the steering committee of the Manitoba Producers Oil Spill Cooperative and represents the Department on the Petroleum Safety Council. The unit also takes an active role in the management of oilfield waste and other environmental issues facing the petroleum industry.

Digital Information Services Section

Digital Information Services is responsible for development and maintenance of computer systems within the Branch. These systems include a diverse collection of activities such as web services, database, GIS, application development, document images and drafting services. Additionally, the section is responsible for conducting special projects as assigned by the Director.

In 2002/03 the section focussed on three major areas: GIS, Internet and the continued development and support of the Manitoba Oil and Gas Well Information System (MOGWIS).

Accomplishments in 2002/03 include

- implemented an agreement with MJ Systems for the utilization of Logsleuth within Geoscout (a software used by Petroleum staff). This agreement provides the Petroleum Branch with digitized well log files. The software has been installed and the images now reside on the server.
- Implemented a sharing agreement with Accumap (provider of a popular industry specific software package). This allows for the utilization of Accumap software by the Branch.
- development and support for the Branch's web pages

- continued development of a program to assist Administration and Geology in conducting audits of Crown royalty and freehold production tax payments. System development has resulted in the review and modification of a number of administrative processes. The project will be completed during 2003/04
- continued support for the Oracle Petroleum Branch database
- ongoing support for GIS functions..

Abandonment Fund Reserve Account

The Account is established under The Oil and Gas Act. Non-refundable levies on geophysical and well licences, transfer of well licences, battery operating permits and inactive wells are deposited in the fund. The Account is used as a source of funds to operate or abandon a well or facility that is in non-compliance with the Act, where the licensee of the well or facility fails to do so. The fund can also be used to rehabilitate the site of an abandoned well or facility or to address any adverse effect on property caused by a well or facility. An expenditure from the Account on behalf of a licensee automatically creates a debt of the licensee to the Crown, recoverable in court.

An annual report of activities relating to the Account to March 31/03 is available from the Branch and is posted on the Branch's website (www.gov.mb.ca/itm/petroleum)

Abandonment Fund Reserve Account Activity

Opening Balance (April 1, 2002)		263,887
Deposits		205,522
Levies	106,626	
Interest	4,400	
Recovery of Expenditures	94,496	
Expenditures		318,545
Oilex Exploration Ltd.	265,252	
Fawn Petroleums Ltd.	51,849	
Shannon Oils Ltd.	14	
SE1/4 Section 10-10-28 WPM	1,430	
Closing Balance (March 31, 2003)		150,864

Minister's and Director's Approvals

Under The Oil and Gas Act, the Minister and the Director of Petroleum have authority to issue orders relating to drilling, production, storage and transportation of oil and gas. The Minister has authority to make orders relating to well spacing, enhanced recovery maximum production rates, seizure of wells and facilities and to enter into Unit Agreements on behalf of the Crown. The Lieutenant Governor in Council has delegated parts of this authority, under Order in Council 384/2001, to the Director where the circumstances are considered routine. The Director has authority to issue orders relating to salt water disposal, designation of field and pools, designation of new oil status and to effect the seizure of wells and facilities of a non compliant operator pursuant to a Ministerial Seizure Order.

In 2002/03, the following Ministerial Orders were issued:

Cancellation of Disposition	April 10, 2002	Fawn Petroleums Ltd.
Spacing Order No. 14A s. 102*	June 11, 2002	EOG Resources Canada Inc.
Goodlands Unit No. 1	June 26, 2002	Tundra Oil and Gas Ltd.
Waterflood Order No. 13*	June 26, 2002	Tundra Oil and Gas Ltd.
Spacing Order No. 16*	June 26, 2002	Tundra Oil and Gas Ltd.
Modification of a Pipeline	November 4, 2002	Enbridge Pipelines (Virden) Inc.
Pipeline Construction Permit No. 2	March 26, 2002	Plains Marketing Canada L.P.

*order made by Director of Petroleum under delegation

In 2002/03 the Director of Petroleum made the following orders:

Notice of Abandonment s. 123	November 27, 2002	Falcon Oil & Gas Ltd.
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Petroleum Industry Overview – 2002:

New Wells Drilled	97
Oil Production	650 750 m ³ (4,095,099 bbls)
Value of Oil Sales (\$million)	\$150.0
Average Selling Price	\$230.59/m ³ (\$36.64/bbl)
Wells Producing - December 2002	1,402
Estimated Industry Expenditures (\$million)	\$96.8

More comprehensive information and historical statistics on Manitoba's petroleum industry are presented in the Oil Activity Review available from the Petroleum Branch.

10-3(c) Petroleum

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	1,034.2	21.00	1,026.7	7.5	
Total Other Expenditures	297.1		299.4	(2.3)	
Total Expenditures	1,331.3	21.00	1,326.1	5.2	

BOARDS AND COMMISSIONS

OBJECTIVES

To provide for the resolution of disputes between surface rights holders, mineral rights, and oil and gas rights holders with respect to accessing minerals and oil and gas.

ACTIVITIES/RESULTS

Mining Board

The Mining Board is established under the Mines and Minerals Act. The primary function of the Board is the arbitration of disputes between surface rights holders and mineral rights holders with respect to accessing of minerals other than oil and gas. The Board can also hear and resolve disputes between holders of mineral dispositions and between holders and officers of the Department.

In 2002/03 two cases were referred to the Mining Board.

- Dave Meek vs. Mines Branch, April 22, 2002;
- Michael Kyhee Nykoliati vs. Russell Redi-Mix, September 4, 2002

Surface Rights Board

The Surface Rights Act establishes a quasi-judicial process for resolving land access and development disputes between oil and gas development proponents and surface rights owners. The Act also creates a Board to arbitrate and mediate disputes including compensation for petroleum development activities.

The responsibility of the Surface Rights Board was transferred from Intergovernmental Affairs to Industry, Trade and Mines in April 2002. Mines Branch staff act as the secretary to the Board and provide administrative support to the Board.

Signed Agreements for Surface Leases (fiscal year)	102
Total Number of Recorded Surface Leases	2023
Review of Compensation Applications (Received & Settled)	3
Right of Entry Applications (Received/Still in Process) (covering 16 LSD's)	1
Termination of Board Orders	0
Application for Abandonment Orders	1
Board Orders Issued (B/O 3/2002 dated April 24/02 - Contaminated Site Clean Up & Annual Compensation Payment Order - Nielson v. Tancam Consulting Ltd.)	1

10-3(d) Boards and Commissions

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE \$	Variance Over (Under)	Expl. No.
Total Salaries and Employee Benefits	17.6	22.7	(5.1)	
Total Other Expenditures	47.0	18.0	29.0	1
Total Expenditures	64.6	40.7	23.9	

1. An increase in Board hearing's expenditures.

COMMUNITY AND ECONOMIC DEVELOPMENT

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

OBJECTIVES

The Community and Economic Development Committee (CEDC) is the Cabinet committee responsible for initiation and co-ordination of community and economic development activity. CEDC comprises of seven senior cabinet ministers and the Premier, and is chaired by the Minister of Industry, Trade, & Mines.

The CEDC Secretariat provides analytical expertise and administrative support to the Committee. Staff assist the Committee in the development and implementation of policy and projects consistent with the community and economic development priorities of Government. In co-operation with departments, community and business leaders, the Secretariat provides CEDC with the necessary supports and analysis to ensure responsible economic growth and sustainability for the Province of Manitoba.

ACTIVITIES/RESULTS

Some of the specific results achieved through the involvement of the Secretariat were:

Action Strategy for Economic Growth - Co-ordination of development of the Province's new economic development strategy – The Action Strategy for Economic Growth. The Action Strategy was based on recommendations provided by the Premier's Economic Advisory Council and was published as a special Budget paper in the 2003 Budget. The components of the strategy are: education first; building through research and innovation; raising and retaining investment; affordable government; growing through immigration; building on our energy advantage.

Northern Development Strategy - Co-ordination of departments' activities regarding Northern Manitoba focused on transportation, health, employment and training, housing and economic development. Partnership building is an important principle that is being implemented through the work of the Province, Manitoba Hydro and Hydro affected First Nations in Hydro Pre-Project Training. The partnership model is working toward the involvement of the federal government.

Community Economic Development Initiative - Co-ordination of inter-departmental efforts to support Community Economic Development (CED) by establishing policies and programs in line with the provincial government's CED Lens. The CED Initiative partners with community groups to develop inter-sectoral supports to assist communities in their efforts to build social, human and financial capital in marginalized communities.

Destination Winnipeg – Co-ordination of provincial negotiations with the City of Winnipeg on the establishment of a new tourism and economic development agency, Destination Winnipeg. This new agency combines the resources and expertise of Tourism Winnipeg and Economic Development Winnipeg.

True North Entertainment Complex - Ongoing facilitation and co-ordination of interdepartmental support for a \$131.5 million downtown Winnipeg sports and entertainment complex. The project will create an estimated 1600 person years of direct and indirect employment during construction.

Winnipeg Symphony Orchestra - Ongoing coordination of provincial role during the reorganization of the Winnipeg Symphony Orchestra.

Museum for Human Rights - Ongoing facilitation of intergovernmental negotiations. The construction of the \$200. Million project is expected to create 2,460 person years of employment in Manitoba and its ongoing operations will create 220 jobs directly and another 150 indirectly. It is projected that when the

Keystone Centre - Ongoing facilitation and co-ordination of inter-departmental and inter-governmental

supports to the issues facing Brandon's Keystone Centre including; long term strategic and capital planning issues, implementing of a long term operating and capital support package to the Centre and addressing governance issues at the Centre.

Leaf Rapids / Lynn Lake - Continuing co-ordination of cross departmental efforts to assist with community and labour adjustment activities in response to mine closure in the northern Manitoba communities of Leaf Rapids and Lynn Lake.

Port of Churchill - Coordination of negotiations with the town of Churchill, the federal and provincial governments, and OmniTRAX to ensure the continuing viability of the Port of Churchill.

Sustainable Forestry Development Unit - Creation of a new interdepartmental sustainable development unit to promote a sustainable and diversified economic strategy for Manitoba's forests, with a special focus on opportunities for Aboriginal communities.

Maple Leaf - Co-ordination of inter-departmental and inter-governmental supports to assist the expansion of a second shift at the Maple Leaf plant in Brandon. The second shift expansion will provide 1100 new jobs in Brandon and \$44 million in capital construction when completed.

McKenzie Seeds - Co-ordination of inter-departmental and inter-governmental supports to assist the private buy out by local owners of the McKenzie Seed plant in Brandon from MDC Corporation of Toronto. The province provided the buyers with a \$3.0 million MIOP loan and subsequently 105 full time jobs were kept in Brandon.

10-4(a) Community and Economic Development Committee

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE	\$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	749.3	10.00	772.0	(22.7)	
Total Other Expenditures	338.8		346.0	(7.2)	
Total Expenditures	1,088.1	10.00	1,118.0	(29.9)	

PREMIER'S ECONOMIC ADVISORY COUNCIL

OBJECTIVES

The Premier's Economic Advisory Council (PEAC) is a group of 34 volunteers invited by the Premier to provide him with economic advice that is future and action oriented, and that builds on the advice developed during the Spring 2000 Manitoba Century Summit. In the announcing press statement of November 2001, the Premier said:

"The establishment of the Premier's Economic Advisory Council will be an important opportunity for dialogue on crucial economic issues and creative thinking on the challenges and strengths of Manitoba as we move further into this new century."

ACTIVITIES/RESULTS

The Council established six Task Groups, comprised of Council members and 23 additional volunteers, to review and develop recommendations on the following issues.

Investment - methods to increase levels of capital investment and re-investment in Manitoba in order to ensure appropriate levels of investment for Manitoba's future economy.

Labour Force Development & Retention - Manitoba's need for increased numbers of skilled workers for the future economy.

Immigration - Manitoba's desire for increased immigration and how, in light of new Federal Legislation and Regulations this may be most successfully achieved.

Natural Resources as Economic Drivers - examining how Manitoba can best use its natural resources as economic drivers to build its economy and to do so in anticipation of a future marked by the Kyoto Accord. This issue was further subdivided into agriculture, energy, fishery and forestry.

Research - examining ways to enhance research and development in Manitoba including more effective commercialization.

Image - Manitoba's Image and its underlying importance to all areas of Manitoba's future success; how Manitobans view themselves and how others view Manitoba.

In November, 2002, the Council delivered their recommendations to the Premier. The recommendations were very well received and the Council's work was credited as forming the basis of the province's seven-point Action Strategy for Economic Growth which was announced in the November 2002 Throne Speech.

10-4(b) Premier's Economic Advisory Council

Expenditures by Sub-Appropriation	Actual 2002/03	Estimate 2002/03		Variance Over (Under)	Expl. No.
	\$	FTE	\$		
Total Salaries & Employee Benefits	134.8	2.00	136.8	(2.0)	
Total Other Expenditures	131.6		233.6	(102.0)	1
Total Expenditures	266.4	2.00	370.4	(104.0)	

1. A reduction in discretionary operating expenditures and a project postponement resulting in decreased expenditures.

MANITOBA RESEARCH, INNOVATION AND TECHNOLOGY

Manitoba Research, Innovation and Technology was transferred to the Department of Energy, Science and Technology in September of 2002. A small component remained in Industry, Trade and Mines and is reflected below.

10-5(a) Manitoba Research, Innovation and Technology

Expenditures by Sub-Appropriation	Actual 2002/03 \$	FTE	Estimate 2002/03 \$	Variance Over (Under)	Expl. No.
Total Salaries & Employee Benefits	60.3	2.00	129.1	(68.8)	1
Total Other Expenditures	0.0		0.0		
Total Expenditures	60.3	2.00	129.1	(68.8)	

1. The under-expenditure is due to position under-filling.

AMORTIZATION OF CAPITAL ASSETS

Commencing in 1999/2000, it is the policy of the Province of Manitoba to record in the accounts of the Province, the tangible capital assets owned and used by the Province along with appropriate amortization costs. The Provincial Comptroller has established standard asset classes, along with capitalization thresholds and corresponding amortization rates. Consistent with this policy, this sub-appropriation records the costs associated with the amortization of the Department's share of the total estimated costs of the Desktop Management Initiative and Enterprise System Management allocated to the Department. In the case of Desktop, based on units acquired by the Department as a percentage of total units acquired by the Province and, in the case of Enterprise System Management, by projected departmental used. A small amount is also included for the amortization of other departmental assets.

10-6(a) Amortization of Capital Assets - Desktop Services

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE \$	Variance Over (Under)	Expl. No.
Amortization of Expenses - Hardware & Transition	182.0	195.4	(13.4)	
Amortization Expense - Enterprise Software	30.6	35.0	(4.4)	
Enterprise Software Licenses	65.4	65.4		
Total Expenditures	278.0	295.8	(17.8)	

10-6(b) Amortization of Capital Assets - Amortization Expense

Expenditures by Sub-Appropriation	Actual 2002/03 \$	Estimate 2002/03 FTE \$	Variance Over (Under)	Expl. No.
Amortization Expense	70.6	75.5	(4.9)	
Total Expenditures	70.6	75.5	(4.9)	

Industry, Trade and Mines

Reconciliation Statements

EXPENDITURE DETAILS	2002/03 ESTIMATES
2002/03 MAIN ESTIMATES	47,814.0
Transfer of functions to:	
- Energy, Science and Technology	(15,735.0)
- Intergovernmental Affairs	(387.7)
Allocation of funds to:	
- Energy, Science and Technology	(79.3)
2002/03 ESTIMATE	31,611.3

**Industry, Trade and Mines
Expenditure Summary**

For Fiscal Year Ended March 31, 2003 (with comparative figures for the previous year)

Estimate 2002/03 \$	Appropriation	Actual 2002/03 \$	Actual 2001/02 \$	Increase (Decrease) \$	Explanation Number
10-1 Administration and Finance					
28.4	(a) Minister's Salary	28.4	28.0	0.4	
420.8	(b) Executive Support	429.8	409.5	20.3	
83.0	Salaries & Employee Benefits	71.6	83.2	(11.6)	
	Other				
1,078.1	(c) Financial & Administrative Services	1,115.5	983.5	132.0	
317.0	Salaries & Employee Benefits	263.3	291.3	(28.0)	
110.0	Other	107.4	109.9	(2.5)	
	Computer Services				
397.2	(d) Policy, Planning and Co-ordination	400.9	386.6	14.3	
148.5	Salaries & Employee Benefits	100.0	149.8	(49.8)	1
	Other				
120.1	(e) Manitoba Office in Ottawa	117.9	104.6	13.3	
82.7	Salaries & Employee Benefits	67.2	81.2	(14.0)	
	Other				
788.3	(f) Manitoba Bureau of Statistics	673.8	670.7	3.1	
173.0	Salaries & Employee Benefits	183.1	230.9	(47.8)	
(60.0)	Other	(80.6)	(83.6)	3.0	
104.0	Less: Recoveries from Other Appropriations	104.1	0.1	104.0	2
	(g) Manitoba Horse Racing Commission				
3,791.1	TOTAL 10-1	3,582.4	3,445.7	136.7	

Industry, Trade and Mines Expenditure Summary

For Fiscal Year Ended March 31, 2003 (with comparative figures for the previous year)

Estimate 2002/03 \$	Appropriation 10-2 Business Services	Actual 2002/03 \$	Actual 2001/02 \$	Increase (Decrease) \$	Explanation Number
	(a) Industry Development – Financial Services				
790.8	(1) Salaries & Employee Benefits	780.3	724.0	56.3	
362.4	(2) Other	354.5	286.4	68.1	
	(3) Industry Support Programs:				
10,511.0	(a) Manitoba Industrial Opportunities Program	9,117.8	6,434.8	2,683.0	3
1,372.4	(b) Vision Capital Program	802.5	(3,902.4)	4,704.9	4
1,313.1	(c) Manitoba Business Development Fund	845.9	1,180.3	(334.4)	5
2,520.1	(d) Third Party Managed Capital Funds	1,537.8	1,535.0	2.8	
(7,668.6)	(e) Less: Interest Recovery	(3,769.4)	(1,433.4)	(2,336.0)	6
	(4) Mineral Support Programs:				
2,500.0	(a) Mineral Exploration Assistance Program	2,429.5	2,699.6	(270.1)	
196.5	(b) Manitoba Potash Project	145.0	164.8	(19.8)	
232.0	(c) Acid Rain Abatement Program - Flin Flon	231.4	285.3	(53.9)	
125.0	(e) Prospectors' Assistance Program	122.2	90.6	31.6	7
	(b) Manitoba Trade and Investment Marketing				
2,265.1	Salaries & Employee Benefits	2,138.6	2,078.4	60.2	
2,394.0	Other	2,262.1	2,346.9	(84.8)	
95.0	Grants	93.3	161.7	(68.4)	8
	Less: Recoverable from Rural and Urban Economic Development Initiatives	(1,000.0)	(1,000.0)	0.0	
(1,000.0)					
	(c) Small Business and Co-operative Development				
943.4	Salaries & Employee Benefits	996.7	943.3	53.4	
596.9	Other	509.8	569.1	(59.3)	
30.0	Grants	30.0	30.0	0.0	
17,579.1	TOTAL 10-2	17,628.0	13,194.4	4,433.6	

**Industry , Trade and Mines
Expenditure Summary**

For Fiscal Year Ended March 31, 2003 (with comparative figures for the previous year)

Estimate 2002/03 \$	Appropriation \$	Actual 2002/03 \$	Actual 2001/02 \$	Increase (Decrease) \$	Explanation Number
10-3 Mineral Resources					
	(a)	Manitoba Geological Survey			
3,536.6		3,543.4	3,364.3	179.1	
1,737.0		1,641.4	1,737.9	(96.5)	
	(b)	Mines			
1,200.2		1,277.6	1,533.6	(256.0)	9
412.2		574.0	524.5	49.5	
	(c)	Petroleum			
1,026.7		1,034.2	1,006.4	27.8	
299.4		297.1	331.8	(34.7)	
	(d)	Boards and Commissions			
22.7		17.6	10.7	6.9	
18.0		47.0	10.5	36.5	10
8,252.8	TOTAL 10-3	8,432.3	8,519.7	(87.4)	
10-4 Community and Economic Development					
	(a)	Community and Economic Development Committee			
		Secretariat			
772.0		749.3	689.4	59.9	
346.0		338.8	286.9	51.9	
	(b)	Premier's Economic Advisory Council			
136.8		134.8	55.8	79.0	
233.6		131.6	30.4	101.2	
1,488.4	TOTAL 10-4	1,354.5	1,062.5	292.0	

**Industry Trade and Mines
Expenditure Summary**

For Fiscal Year Ended March 31, 2003 (with comparative figures for the previous year)

Estimate 2002/03 \$	Appropriation	Actual 2002/03 \$	Actual 2000/01 \$	Increase (Decrease) \$	Explanation Number
10-5 Manitoba Research, Innovation and Technology					
129.1	(a) Manitoba Research, Innovation and Technology Salaries & Employee Benefits Other	60.3	83.8	(23.5)	
129.1	TOTAL 10-5	60.3	83.8	(23.5)	
10-6 Amortization of Capital Assets					
195.4	(a) Desktop Services				
35.0	(1) Amortization of Expenses -Hardware & Transition	182.0	248.2	(66.2)	
65.4	(2) Amortization of Expenses - Enterprise Software	30.6	62.1	(31.5)	
	(3) Enterprise Software Licenses	65.4	-	65.4	
75.5	(b) Amortization Expense	70.6	64.5	6.1	
371.3	TOTAL 10-6	348.6	374.8	(26.2)	
31,611.8	TOTAL FOR INDUSTRY, TRADE AND MINES	31,406.1	26,680.9	4,725.2	

Industry, Trade and Mines

Expenditure Summary Explanations

Explanation Number:

1. General operating costs are lower in 2002/03.
2. Funding for the Horse Racing Commission is higher in 2002/03. In 2001/02, the Commission utilized an operating surplus from 2000/01 and did not require an operating grant in 2001/02.
3. Interest and forgivable loan expenditures are higher in 2002/03.
4. In 2001/02, the department recorded a loan payment that resulted in a credit to the loan loss allowance. There was no comparable transaction in 2002/03.
5. Grant payments are lower in 2002/03.
6. In 2002/03, the loan portfolio is larger resulting in higher interest recoveries.
7. Grant payments are higher in 2002/03.
8. Grant payments were higher in 2001/02.
9. The variance is due to The Pas Mining Recording Office and other operating recoveries.
10. Higher Board Hearing expenditures in 2002/03.

Industry, Trade and Mines

Revenue Summary by Source

For Fiscal Year Ended March 31, 2003 (with comparative figures for the previous year)

Actual 2001/02 \$	Actual 2002/03 \$	Increase (Decrease) \$	Source	Actual 2002/03 \$	Estimate 2002/03 \$	Variance \$	Explanation Number
Current Operating Programs:							
Taxation							
3,621	2,711	(910)	(a) Oil and Natural Gas Tax	2,711	3,314	(603)	1
3,621	2,711	(910)	Sub-Total	2,711	3,314	(603)	
Other Revenue							
2,998	3,748	750	(a) Petroleum Royalties and Fees	3,748	2,750	998	2
3,016	3,113	97	(b) Minerals Royalties and Fees	3,113	2,700	413	3
67	146	79	(c) Sundry	146	194	(48)	4
6,081	7,007	838	Sub-Total	7,007	5,644	1,363	
9,702	9,718	16	TOTAL REVENUE	9,718	8,958	760	

Industry, Trade and Mines

Revenue Summary Explanations

Explanation Number:

- 1 Decrease Actual vs Actual - (\$910)
Price per cubic meter was lower in 2002/03 over 2001/02 levels. This was slightly offset by production levels, which were higher in 2002/03 over 2001/02 levels.

Decrease Estimate vs Actual - (\$603)
Actual production and price per cubic meter were both lower than budgeted.
- 2 Increase Actual vs Actual - \$750.
Royalty revenue is higher then 2001/02 offset slightly by production levels, which were higher in 2002/03 over 2001/02 levels.

Increase Estimate vs Actual - \$998
The variance is due to positive royalty adjustments and royalty revenue being higher than estimated. This is offset by lower revenue from Crown oil and gas rights.
- 3 Increase Estimate vs Actual - \$413
The variance is due to mining revenue relating to Forfeiture of Cash Deposit on mineral exploration licences higher than estimated, offset by quarry lease royalties not realized due in part to lower than estimated production from the new salt plant, along with a general decrease in reported production.
- 4 Increase Actual vs Actual \$79
Variance increase due to revenue adjustments and miscellaneous revenues being higher than in 2001/02.

Decrease Estimate vs Actual (\$48)
Variance due to decreased revenue related to the Federal Immigrant Investor Program, offset by an increase in other miscellaneous revenue.

**Industry Trade and Mines
Five-Year Expenditure and Staffing Summary by Appropriation (\$000s)
For Five Years Ended March 31, 1999 - March 31, 2003**

Actual/*Adjusted Expenditures										
Appropriation	1998-99		1999-2000		2000-01		2001-02		2002-03	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$
Administration & Finance	53.54	3,999.2	51.10	4,113.3	52.26	4,146.0	48.14	3,504.5	47.15	3,582.4
Business Services	83.50	33,410.4	68.90	60,367.4	73.70	19,267.6	61.46	14,167.1	58.10	17,628.0
Mineral Resources	110.53	7,702.1	107.61	13,245.0	95.34	7,863.1	102.61	8,418.8	105.22	8,432.3
Community and Economic Development Committee	5.73	708.6	4.03	822.8	7.70	700.5	9.49	1,062.3	12.05	1,354.5
Manitoba Research, Innovation and Technology									1.65	60.3
Amortization of Capital Assets		0.6		383.9		403.0		374.8		348.5

TOTAL OPERATING

Expenditures Related to Capital

TOTAL	253.30	45,820.9	231.64	78,932.4	229.00	32,380.2	221.70	27,527.5	224.17	31,406.1
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* - Adjusted figures reflect historical data on a comparable basis in those appropriations affected by reorganizations during the five years.

APPENDIX A

ASSOCIATED AGENCIES, BOARDS, COMMISSIONS and COUNCILS

THE MANITOBA DESIGN INSTITUTE

The Manitoba Design Institute was established by an Act of the Legislative Assembly in 1963. The Institute had no operating budget or staff in 2002/03.

THE MANITOBA DEVELOPMENT CORPORATION

The Manitoba Development Corporation (MDC) provides loans and loan guarantees under Part 2, The Development Corporation Act. MDC tables its annual financial statements under separate cover with the Manitoba Legislature.

THE MANITOBA TRADE AND INVESTMENT CORPORATION

The Manitoba Trade and Investment Corporation (Manitoba Trade and Investment) was established in 1974 as the Manitoba Trading Corporation to encourage, develop and increase trade between Manitoba and the world. The Manitoba Government's *"Framework for Economic Growth"* released in 1993 directed the Corporation to act as the focal point for all export activities. The Corporation can utilize a variety of government and private sector resources to achieve its objectives. The Corporation is administered by the Manitoba Trade and Investment Marketing Branch of the Department of Industry, Trade and Mines and reports to a board of directors. The Corporation tables an annual report under separate cover with the Manitoba legislature.

THE MANITOBA HORSE RACING COMMISSION

The Commission supervises and regulates horse racing and the operation of race tracks in Manitoba. The Commission tables an annual report under separate cover with the Manitoba legislature.

APPENDIX B

FINANCIAL INFORMATION

Industry, Trade & Mines
Summary of Business Assistance
2002/2003 Fiscal Year

FEASIBILITY STUDIES/PROJECTS	102,360.10
FORGIVABLE LOANS	2,800,000.00
MANITOBA PROSPECTORS ASSISTANCE PROGRAM	122,142.42
MINERAL EXPLORATION ASSISTANCE PROGRAM	2,429,538.23
NEW BUSINESS ASSISTANCE - TECHNOLOGY COMMERCIALIZATION	257,708.47
SMALL BUSINESS DEVELOPMENT	30,000.00
SPECIAL ASSISTANCE	300,569.50
TRADE ASSISTANCE PROGRAM	<u>93,266.76</u>
	<u>\$ 6,135,585.48</u>

APPENDIX C

FINANCIAL INFORMATION

Industry, Trade & Mines
List of Business Assistance
2002/2003 Fiscal Year

FEASIBILITY PROJECTS/STUDIES

Acision	10,000.00
Apperentissage Illimitee	12,500.00
Deshenes - Regnier	18,000.00
Misty Rever Marine	12,250.00
My Local Store Inc.	5,160.00
Railside Locomotive Services Inc	857.50
Seerx Technologies Inc.	12,500.00
Spectrum Scientific Inc.	7,500.00
Sunshine Records Ltd.	11,487.50
Western Canada Testing	7,105.00
Xperient	5,000.00
	\$ 102,360.10

FORGIVEABLE LOANS

Motor Coach Industries Limited	2,800,000.00
	\$ 2,800,000.00

APPENDIX C

FINANCIAL INFORMATION

Industry, Trade & Mines

List of Business Assistance

2002/2003 Fiscal Year

MANITOBA PROSPECTORS' ASSISTANCE PROGRAM

Busch, David	7,168.80
Chaboyer, Dale	7,500.00
Davy ,Gordon	6,994.26
De Graff, Ken	2,566.04
Headley ,Colon	3,546.71
Hood, William	4,756.55
Klyne, Ken	985.00
Kuran, William S	6,431.60
Lee, John	6,239.25
Masson, Stephen	7,620.29
Murray Brian	4,430.25
Murray, Bruce	2,820.18
Rastel, James	8,250.15
Romano, Michael J	5,912.50
Sopotiuk, John	7,500.00
Thorne, Albert	7,500.00
Thurston, Marty	4,121.85
Turner, Sedley	4,000.00
Utesch, George	12,443.75
Westdal, Harold	11,355.24
	\$ 122,142.42

APPENDIX C

FINANCIAL INFORMATION

Industry, Trade & Mines
List of Business Assistance
2002/ 2003 Fiscal Year

MINERAL EXPLORATION ASSISTANCE PROGRAM

1126774 Ontario Ltd (Tvx & High River)	128,606.40 *
4378831 Manitoba Ltd	8,037.53
Anglo American Exploration (Canada) Ltd	47,198.71 *
Aur Resources Inc	225,877.49
Bell Resources Corp	49,274.73 *
Bema Gold Corp	371,209.36
Bhp Billiton Diamonds Inc	173,882.96
Buhlmann And Associates Inc	6,366.02 *
Claymore Kaolin Inc	13,859.89
Dunsmuir Ventures Ltd	128,606.39 *
Explorateurs Innovateurs De Quebec Inc	35,910.82 *
Exploratus Ltd	8,745.97
Falconbridge Ltd	219,694.18
First Majestic Resources Corp	55,301.85 *
Foran Mining Corp	32,725.00
Gossan Resources Ltd	34,987.53
Hudson Bay Exploration And	200,703.11
Interactive Enterprises Inc	19,546.17 *
International Curator Resources	242,179.93
Kuran William S	6,132.68
Manquest Resources Corp	2,488.26
Marum Resources Inc	81,461.75 *
Nuinsco Resources Ltd	128,606.40
Rare Earth Metals Corp	32,396.45
San Gold Resources Corp	117,056.24
Tantalum Mining Corporation Of Canada Ltd	27,147.24 *
Tudale Exploration Ltd	15,400.00 *
W Bruce Dunlop Ltd	8,435.17
Zappa Resources Ltd	7,700.00 *
	<u><u>\$ 2,429,538.23</u></u>

APPENDIX C

FINANCIAL INFORMATION

Industry, Trade & Mines
List of Business Assistance
2002/2003 Fiscal Year

NEW BUSINESS ASSISTANCE - TECHNOLOGY COMMERCIALIZATION

Character Mail	50,000.00
Claims Network Inc	17,612.40
Clear Option Technologies	19,107.48
Controlled Environments	34,427.33
Cybex Systems	10,558.76
E & M Automotion Inc	9,529.20
Engineered Power Components	3,289.50
Hanover Door Systems (1996) Inc	3,470.34
KBS Industries Inc.	8,351.21
Riverbend Millwork	671.91
Road Shark Street Solutions	697.67
Sidetrack Technologies	17,310.91
Tell Us About Us	40,702.88
Valley Fabrication	11,510.27
Wehner Sound	9,546.06
Zero Gravity	20,922.55
	<u><u>\$ 257,708.47</u></u>

SMALL BUSINESS AND CO-OPERATIVE DEVELOPMENT

Manitoba Marketing Network Inc	30,000.00
	<u><u>\$ 30,000.00</u></u>

SPECIAL ASSISTANCE

Brett Young Seed	38,950.00
Cascades	110,000.00
Churchill Rocket Range	5,107.50
E-Business Service Centre	25,000.00
Economic Development Council (CDEM)	25,000.00
Internal Trade Secretariat	11,512.00
Kane Boitech	15,000.00
Manitoba Fashion Institute	20,000.00
Northern Forest Diversification Centre	50,000.00
	<u><u>\$ 300,569.50</u></u>

APPENDIX C

FINANCIAL INFORMATION

Industry, Trade & Mines
List of Business Assistance
2002/ 2003 Fiscal Year

TRADE ASSISTANCE PROGRAM

Blue Moon Water Systems Inc	2,000.00
Bonafide	1,000.00
Brooks Industries Ltd	2,000.00
Canadian Education Adventure	1,610.00
Circle C Red Angus	2,000.00
Coldstream Products Corp	2,000.00
Cornerstone Timberframes Inc	2,000.00
Creative Spark Innovations	2,000.00
Custom Steel Manufacturing Ltd	2,000.00
Decker Manufacturing	2,000.00
Doortech Distributors Ltd	800.00
Dundee Metal Designs	2,000.00
Earth Rhythms Inc	2,000.00
Excitee	2,000.00
Ezedia Inc	2,000.00
Finn Woodworks	2,000.00
Firetak Manufacturing Ltd	2,000.00
Forcefield Manufacturing Co	918.85
Foundry Display	2,000.00
G Ili Ltd	2,000.00
Geppetto's Fine Wood Products	2,000.00
Gorfam Holdings Ltd	2,000.00
H & K Packers Ltd	2,000.00
Haney's Infant Fabrications	550.00
Heartland International English	2,000.00
Horizon Agro	2,000.00
Inkster Park Millwork Ltd	2,000.00
Integrated Messaging Inc	2,000.00
Irvin Goodon International Wildlife	500.00
K9 Pro Wear	2,000.00
K9 Storm Inc	2,000.00
Kraves Fine Foods Inc	2,000.00
Loveable Creations	2,000.00
Maxim Software Systems	1,263.00
Micropilot	2,000.00
Oakridge Country Collections	186.92
Paper Birch Publishing	2,000.00
Pegasus Products Ltd	2,000.00

APPENDIX C

FINANCIAL INFORMATION

Industry, Trade & Mines

List of Business Assistance

2002/ 2003 Fiscal Year

Pembina Prime	186.92
Planned Legacy Inc	2,000.00
Postime Inc	2,000.00
Premier Care Industries Of Cda Ltd	2,000.00
Prima Ventures Inc	2,000.00
Ramboc Enterprises Ltd	1,550.00
Red River College	1,610.00
Regal Furniture Mfg	2,000.00
River East School Division No 9	1,425.00
Simply Natural Canadian Spring	1,700.00
Spectis Moulders Inc	1,800.00
St James- Assiniboia School	1,610.00
Unique Stained Glass Works	186.92
Valley Fabricating And Iron Works	262.15
Vendmax International Inc	2,000.00
Wellington College Of Remedial	1,200.00
Western Statue & Ornaments Inc	907.00
Wild West Seasonings	2,000.00
	\$ 93,266.76

TOTAL

\$ 6,135,585.48

APPENDIX D

MINERAL RESOURCES DIVISION PUBLICATIONS

Geoscientific Papers

GP2002-1

Kimberlite indicator-mineral survey, lower Hayes River / Nielsen, E. and Fedikow, M.A.F.

GP2002-2

Augite phenocrysts in Paleoproterozoic metavolcanic rocks, Flin Flon, Manitoba / Turnock, A.C. and Syme, E.C.

Geoscientific Reports

GR2002-1

Bedrock mineral resources of Manitoba's capital region / Bezys, R.K., Bamburak, J.D. and Conley, G.G.

Open File Reports

OF2001-1

Operation Superior: multimedia geochemical survey results from the northern half of the Knee Lake greenstone belt, northern Superior Province, Manitoba (NTS 53L) / Fedikow, M.A.F., Nielsen, E., Conley, G.G. and Lenton, P.G.

OF2001-5 (digital release)

Operation Superior: kimberlite indicator mineral survey results (2000) for the northern half of the Knee Lake greenstone belt, Manitoba (NTS 53M) / Fedikow, M.A.F., Nielsen, E., Conley, G.G. and Lenton, P.G.

OF2002-1 (digital release only)

Operation Superior: compilation of kimberlite indicator mineral survey results (1996-2001) / Fedikow, M.A.F., Nielsen, E., Conley, G.G. and Lenton, P.G.

OF2003-1

Geology and tectonostratigraphic assemblages, West Uchi map area, Manitoba/Ontario / Bailes, A.H., Percival, J.A., Corkery, M.T., McNicoll, V.J., Tomlinson, K.Y., Rogers, N., Sasseville, C., Whalen J.B. and Stone, D.

Bedrock Geology Compilation Map Series

NTS 63G

Grand Rapids, scale 1:250 000

NTS 64P

Nejanilini, scale 1:250 000

Geoscientific Map Series

MAP2002-1

Geology of the Baker Patton complex, Flin Flon, Manitoba (parts of NTS areas 63K12, 13) / Gales, G.H. and Dabek, L.B.

Report of Activities 2002

Annual review / Syme, E.C., p. 1-8.

FLIN FLON-SNOW LAKE

Stratigraphy of volcanogenic massive sulphide-hosting volcanic and volcanoclastic rocks of the Flin Flon formation, Flin Flon (NTS 63K12 and 13), Manitoba and Saskatchewan / Devine, C.A., Gibson, H.L., Bailes, A.H., MacLachlan, K., Gilmore, K. and Galley, A.G., p. 9-19.

Geology and hydrothermal alteration of the hanging wall stratigraphy to the Flin Flon-777-Callinan volcanogenic massive sulphide horizon (NTS 63K12NW and 13SW), Flin Flon area, Manitoba / Ames, D.E., Tardif, N., MacLachlan, K. and Gibson, H.L., p. 20-34.

Alteration of the paleoproterozoic felsic volcanic Baker Patton complex (NTS 63K12NE and 13SE), Flin Flon, Manitoba / Mitchinson, D.E., Gibson, H.L. and Galley, A.G., p. 35-40.

Trace-element signatures of Flin Flon volcanogenic massive sulphide (VMS) deposits (NTS 63K, 63L), Manitoba / Jonasson, I.R., Galley, A.G. and Ames, D.E., p. 41-44.

Geology of the Alberts Lake area (NTS 64K13SE and 14SW), Manitoba / Gilbert, H.P., p. 45-58.

Rare earth element geochemistry of sulphide-bearing strata in the Flin Flon-Snow Lake area (NTS 63K), Manitoba / Gale, G.H., p. 59-62.

Rare earth geochemistry of the Sneath Lake mineral occurrence (NTS 63K16), Manitoba / Gale, G.H., p. 63-68.

Vectoring volcanogenic massive sulphide mineralization at the Raindrop zone, Snow Lake (NTS 63K16), Manitoba / Gale, G.H., p. 69-74.

Geochemistry of drillcore samples, alders, peat, bog iron and till at Reed Lake, Manitoba (NTS 63K9) / Gale, G.H., p. 75-82.

Geology of the New Britannia Mine, Snow Lake (NTS 63K16), Manitoba / Gale, G.H., p. 83-86.

Platinum group element investigations in the Flin Flon greenstone belt: regional geology of the McBratney Lake PGE-Au occurrence and part of the Mikanagan Lake sill (NTS 63K13), Manitoba / Theyer, P. and Heine, T., p. 87-93.

Platinum group element investigations in the Flin Flon greenstone belt: petrography and mineralogy of the McBratney Lake PGE-Au occurrence (NTS 63K13), Manitoba / Olivo, G., Theyer, P. and Bursztyn, N., p. 94-99.

Activities of Manitoba's Flin Flon regional office / Heine, T.H., p. 100-101.

THOMPSON NICKEL BELT, SUPERIOR BOUNDARY ZONE, FOX RIVER BELT

Tectonostratigraphy, Sm-Nd isotope and U-Pb age data of the Thompson Nickel Belt and Kisseynew north and east margins (NTS 63J, 63P, 63Q, 64A, 64B), Manitoba / Zwanzig, H.V. and Böhm, Ch.O., p. 102-114.

Thompson Nickel Belt project: progress report (parts of NTS 63J, 63O and 63P), Manitoba / Macek, J.J., McGregor, C.R. and Couëslan, C.G., p. 115-116.

Interpretation of Thompson-type geophysical signatures (NTS 63B and 63F) and the possible cause of the Camperville gravity low (NTS 62N and 63C), west-central Manitoba / Hosain, I.T. and Bamburak, J.D., p. 117-130.

Phanerozoic solid-sulphide occurrence containing Devonian dolomite breccia clasts, Pemmican Island, Lake Winnipegosis (NTS 63B12NW), Manitoba / Bamburak, J.D., Hosain, I.T. and Klyne, K., p. 131-143.

LYNN LAKE-LEAF RAPIDS

Churchill River–Southern Indian Lake targeted geoscience initiative (NTS 64B, 64C, 64G, 64H), Manitoba: update and new findings / Corrigan, D. and Rayner, N., p. 144-158.

Structural analysis and geochronological studies in the Lynn Lake greenstone belt and its gold-bearing shear zones (NTS 64C10, 11, 12, 14, 15 and 16), Manitoba / Beaumont-Smith, C.J. and Böhm, Ch.O., p. 159-170.

Structure and stratigraphy in the Agassiz metallotect, Lynn Lake greenstone belt (NTS 64C14 and 64C15), Manitoba / Park, A.F., Beaumont-Smith, C.J. and Lentz, D.R., p. 171-186.

Discovery of a carbonatite complex at Eden Lake (NTS 64C9), Manitoba / Mumin, A.H., p. 187-197.

Geology and geochemistry of the Ruttan and Darrol Lake deposits (NTS 63B5), Manitoba / Gale, G.H., McClenaghan, S.H. and Yaworski, R., p. 198-204.

Determining residual mineral potential using europium anomalies in the Ruttan and Lynn Lake areas, Manitoba / Gale, G.H. and McClenaghan, S.H., p. 205-208.

NORTHERN SUPERIOR

Quaternary stratigraphy and ice-flow history along the Lower Nelson, Hayes, Gods and Pennycutaway Rivers and implications for diamond exploration in northeastern Manitoba / Nielsen, E., p. 209-215.

Tectonostratigraphic panels and early deformation in the Island Lake greenstone belt (NTS 53E15 and 16), northwestern Superior Province, Manitoba / Parks, J., Lin, S., Corkery, M.T., Tomlinson, K.Y. and Davis, D.W., p. 216-225.

Deformation history of the northwestern Cross Lake greenstone belt (NTS 63I12), northwestern Superior Province, Manitoba / Dai, T., Jiang, D., and Corkery, M.T., p. 226-233.

SOUTHEASTERN MANITOBA

Preliminary report on the geology and structure of the Garner Lake area, southeast Rice Lake greenstone belt (NTS 52L14), Manitoba / Anderson, S.D., p. 234-249.

Platinum group element investigations in the Peterson block of the Bird River sill (NTS 52L5NE), Manitoba / Theyer, P., p. 250-254.

Phytoremediation of mine tailings and bio-ore production: progress report on seed germination, survival and metal uptake of seedlings planted at central Manitoba (Au) minesite (NTS 52L13) / Renault, S., Sailerova, E. and Fedikow, M.A.F., p. 255-265.

SOUTH-CENTRAL MANITOBA

Capital Region study (Winnipeg and surrounding areas) update and stratigraphic drilling 2002, Manitoba / Bezys, R.K., Bamburak, J.D. and Conley, G.G., p. 266-272.

The Manitoba stratigraphic database and Capital Region study: an update / Conley, G.G., p. 273.

Development of methods for 3-D geological mapping of southern Manitoba phanerozoic terrane / Matile, G.L.D., Keller, G.R., Pyne, D.M. and Thorleifson, L.H., p. 274-282.

Contributions of dendrochronology to flood hazard analysis in the Red River basin, Manitoba / St. George, S. and Nielsen, E., p. 283-286.

Kimberlite indicator minerals from west-central Manitoba — 2002 update (NTS 63C and 63K) / Bamburak, J.D. and Fedikow, M.A.F., p. 287-294.

Aggregate resources in the Rural Municipalities of Ste. Anne and Turtle Mountain, and in the Buffalo Point area, Manitoba / Groom, H.D., p. 295-302.

MANITOBA GENERAL

Scoping study for hydrothermal iron-oxide copper-gold deposits (Olympic Dam-type), Manitoba / Mumin, A.H., p. 303-308.

Industrial mineral potential of mafic-ultramafic intrusions in Manitoba / Leskiw, P.D., p. 309.

Manitoba mineral inventory / Johnson, J.J., Janower, L. and Bamburak, J.D., p. 310-311.

Manitoba's Precambrian drill core libraries program: an update / Prouse, D.E., p. 312-314.

Preliminary Map Series

PMAP2002-1

Geology of the Lake Aimée-Naosap Lake-Alberts Lake area (parts of NTS 63K13SE and 14SW) / Gilbert, H.P., scale 1:20 000.

PMAP2002-2

Geology of the western portion of Island Lake (NTS 53E15) / Parks, J., scale 1:50 000.

PMAP2002-3

Geology of southern Granville Lake (parts of NTS 64C1, 2 and 7) / Zwanzig, H. and Cameron, H.D.M., scale 1:20 000.

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Bezys, R.K., Bamburak, J.D., McCabe, H.R. and Kent, D.M. 2002: Lower to Middle Paleozoic stratigraphy of southwestern Manitoba; *Nexen field trip guidebook*, June 17-20, 2002, 72 p.

Böhm, Ch.O., Heaman, L.M., Creaser, R.A., Corkery, M.T. and Stern, R.A. 2002: Tectonic assembly of the Trans-Hudson-Superior boundary zone in northern Manitoba: from Paleoproterozoic crustal remnants to Paleoproterozoic collision; *GAC-MAC Annual Meeting, Saskatoon 2002, Abstracts Volume 27*, p. 11.

Brooks, G.R., St. George, S., Lewis, C.F.M., Medioli, B.E., Nielsen, E.N., Simpson, S. and Thorleifson, L.H. 2001: Geoscientific contributions to understanding flood hazards in the Red River valley, Manitoba [Abstract]; *Canadian Water Resources Association Annual Meeting, Winnipeg, Manitoba, June 11-14, 2002*.

Brooks, G.R., St. George, S., Lewis, C.F.M., Medioli, B.E., Nielsen, E., Simpson, S. and Thorleifson, L.H. 2002: Geoscientific contributions to understanding flood hazards in the Red River valley, Manitoba; *Canadian Water Resources Association Annual Meeting, Winnipeg, Manitoba, June 11-14, 2002*.

Buhay, W.M., Blair, D., Nielsen, E., St. George, S. and Brooks, G. 2002: Isotopic records of past hydroclimatic change in the Red River basin, southern Manitoba, Canada; *PAGES newsletter* 10, p. 9-10.

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Fox, J.N. 2002: Manitoba 2001 Oil Activity Review; North Dakota Geological Survey, Saskatchewan Industry & Resources, Tenth Williston Basin Horizontal Well & Petroleum Conference, Bismarck, North Dakota, USA, May 5-7, 2002, *in* Tenth Williston Basin Horizontal Well & Petroleum Conference, 9p.

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Percival, J.A., Bailes, A.H. and McNicoll, V. 2002: Mesoarchean breakup, Neoarchean accretion in the Western Superior craton, Lake Winnipeg, Canada; Field Trip B3 Guidebook, Geological Association of Canada/Mineralogical Association of Canada Annual Meeting, Saskatoon, Saskatchewan, May 27-29, 2002, 42 p.

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- Mineral Exploration Assistance Program (MEAP) – booklet and fact sheet
- Manitoba Prospectors Assistance Program (MPAP) – booklet and fact sheet
- Geology and Minerals Publications Price List
- Release Notice – bimonthly notice of new Manitoba Geological Survey reports and maps available for purchase
- Exploration Activity Map 2002 – fact sheet
- Provincial Mining Week 2002- flyer

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- Manitoba review – report for *Overview of trends in Canadian Mineral Exploration 2002*
 - It's All About Results: highlights from the 2002 Manitoba Mining and Minerals Convention – article for the *Keystone Professional*
 - Manitoba exploration and development highlights 2002 - article for *Northern Prospector 2002*
 - Diamonds in Manitoba – article for *Canadian Diamond Notes*
 - Land reclamation in Manitoba: a commitment to environmental stewardship – article for *Canadian Reclamation*, Spring 2002

New Web Site Documents

- Mining Task Force – Final Report and Recommendations
- GIS Map Gallery (expanded to include drillhole locations, 21 bedrock geology compilation maps, NATMAP Shield Margin Project and geological compilation of southeast Manitoba)
- Report of Activities 2002
- Publication Sales (new releases of geological reports and maps)
- On-line Publications Catalogue
- Searchable databases including the Bibliography of Manitoba Geology, Mineral Resources Library catalogue, News clippings, and Mineral Inventory Records
- Orphaned/Abandoned Mines Initiative in Canada
- Manitoba Mineral Exploration Tax Credit
- Surface Rights Board
- 3-D Model of Manitoba
- Mineral Potential Summaries
- Provincial Mining Week 2002
- 2002 Exploration Activity Map
- 2002 Exploration and Development Highlights
- 2002 Manitoba Mining and Minerals Convention
- Manitoba Oil Activity Review 2001

APPENDIX E

Industry, Trade and Mines DEPARTMENTAL DIRECTORY as at March 2003

Minister, Industry, Trade and Mines
358 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8 945-0067

Deputy Minister, Industry, Trade and Mines
352 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8 945-3751

Assistant Deputy Minister Mineral Resources 360 – 1395 Ellice Avenue Winnipeg, MB R3G 3P2 945-4317	Assistant Deputy Minister Manitoba Trade & Investment Marketing 900 - 259 Portage Ave. Winnipeg, MB R3B 2A9 945-4769
Manitoba Office in Ottawa 512 – 90 Sparks Street Ottawa, ON K1P 5B4 (613) 233-4228	Community Economic Development Committee 648 – 155 Carlton Street Winnipeg, MB R3C 3H8 945-1116
Manitoba Horse Racing Commission Box 46086 Winnipeg, MB R3R 3S3 885-7770	Premiers Economic Advisory Council 648 – 155 Carlton Street Winnipeg, MB R3C 3H8 945-6133
Policy, Planning and Coordination Director 900 - 259 Portage Ave. Winnipeg, MB R3B 2A9 945-8714	Financial & Administrative Services Director 900 - 259 Portage Ave. Winnipeg, MB R3B 2A9 945-3675
Small Business Development Director 250 – 240 Graham Avenue Winnipeg, MB R3C 4B3 945-2019	Manitoba Bureau Of Statistics Chief Statistician 824 – 155 Carlton Street Winnipeg, MB R3C 3H8 945-2988
Industry Development – Financial Services Director 900 - 259 Portage Ave. Winnipeg, MB R3B 2A9 945-7626	Manitoba Trade & Investment Corporation President 1100 - 259 Portage Ave. Winnipeg, MB R3B 2A9 945-4769
Canada/Manitoba Business Service Centre 250 – 240 Graham Avenue P.O. Box 2609 Winnipeg, MB R3C 4B3 984-2272	Western Regional Office 107 – 340 9 th Street Brandon, MB R7A 6C2 (204) 726-6257

Geological Survey Director 360 – 1395 Ellice Avenue Winnipeg, MB R3G 3P2 945-6556	Mines Director 360 – 1395 Ellice Avenue Winnipeg, MB R3G 3P2 945-6505
Regional Geological Survey Office Barrow Building 143 Main Street Flin Flon, MB R8A 1K2 (204) 687-1633	Regional Mining Engineering Office Box 700 405 Main Street Russell, MB ROJ 1W0 (204) 773-3343
Regional Geological Survey Office Provincial Building 59 Elizabeth Drive Thompson, MB R8N 1X4 (204) 677-6881	Regional Mining Engineering Office Provincial Building 340 Ninth Street Brandon, MB R7A 6C2 (204) 726-7118
Core Storage Facilities 10 Midland Street Winnipeg, MB R3E 2Y6 945-6550	Mining Board 360 – 1395 Ellice Avenue Winnipeg, MB R3G 3P2 945-6535
Petroleum Director 360 – 1395 Ellice Avenue Winnipeg, MB R3G 3P2 945-6573	Surface Rights Board 360 – 1395 Ellice Avenue Winnipeg, MB R3G 3P2 945-0731
Petroleum Virden District (Inspection and Publications) 227 King Street Virden, MB ROM 2C0 (204) 748-4260	
Petroleum Waskada District 103 Railway Waskada, MB ROM 2EO (204) 673-2472	



Includes 15% post-consumer waste